

2020 sustainability at a glance

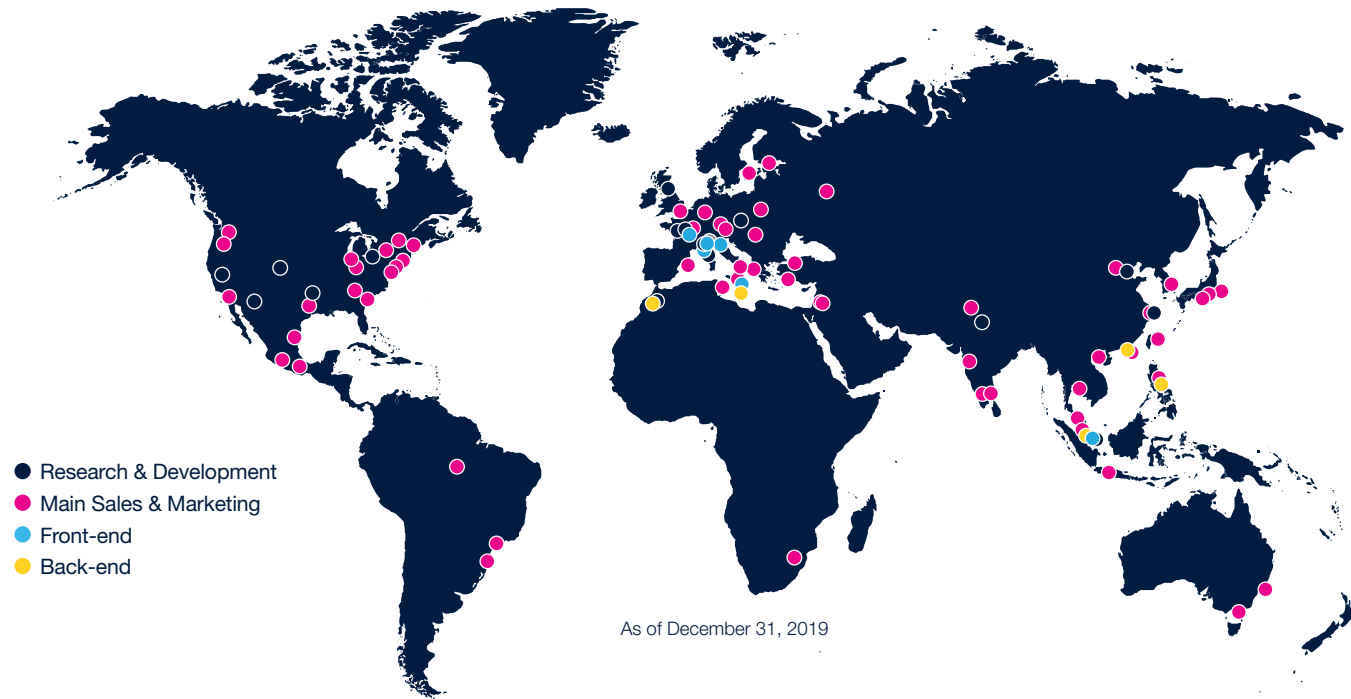


2019 performance



life.augmented

ST at a glance



- a global semiconductor leader
- 2019 revenues of **US\$9.56B**
- listed: NYSE, Euronext Paris and Borsa Italiana, Milan
- approximately **46,000** employees worldwide
- approximately **7,800** people working in R&D

- **11** manufacturing sites
- over **80** Sales & Marketing offices serving over **100,000** customers across the globe
- signatory of the United Nations Global Compact (UNGC), Member of the Responsible Business Alliance (RBA)

ST is a global semiconductor leader delivering intelligent and energy-efficient products and solutions that power the electronics at the heart of everyday life. Chips and systems from ST, incorporating the most advanced innovations, are found in billions of products, ranging from cars and factory machines, through washing machines and air-conditioning systems, to smartphones and telecommunications equipment. Our technology helps our customers make all of these more intelligent, more energy-efficient, more connected, safer and more secure.



Jean-Marc Chery
President and CEO

Sustainability is one of the three pillars of ST's value proposition. It is fully embedded in our company DNA and in the daily operations of ST's 46,000 outstanding employees, who are once again proving their resilience, creativity and commitment to our communities in these challenging times. We approach sustainability by addressing the opportunities and challenges associated with the long-term trends reshaping our societies: our technologies are enablers of safer, greener mobility, advanced power & energy management across all types of systems and devices, and at the heart of the IoT & 5G. Addressing these opportunities and challenges paves the way to long-term sustainable growth for ST as a global company, for our stakeholders, and more broadly for society."

ST addresses four end markets



Our business model

Resources

Human

- ~46,000 employees
- 105 nationalities
- 34% women, 66% men
- Average age: 40

Financial

- US\$12 billion total assets
- US\$1.2 billion capital investments
- US\$672 million net cash

Intellectual

- ~7,800 employees in R&D
- US\$1.5 billion R&D investments
- 138 R&D partnerships

Manufactured

- 11 manufacturing sites in 7 different countries
- 67% of employees in manufacturing
- >5,000 suppliers

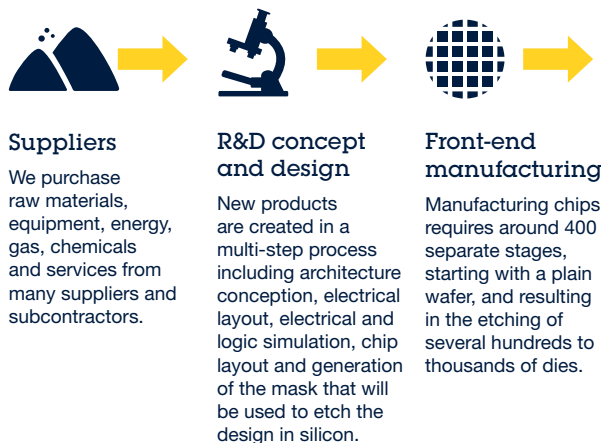
Natural

- 2,480GWh of energy consumed
- 27% of renewable energy
- ~19 million m³ of water withdrawn
- >5,000 chemicals used

Social and relationship

- ST values and Code of Conduct
- US\$1.8 million cash donated by ST to local communities
- >145,000 hours donated to local communities

Main steps in our value chain



Management of our impacts



Value created

Human

Engaged and skilled people in an inclusive and safe workplace

- average of 50 hours of training per employee
- 77% of employees recommend ST as a great place to work
- 0.16 recordable case rate (injuries)

Financial

Sustainable financial performance

- US\$9.56 billion net revenues
- US\$2.96 billion salaries and benefits
- US\$165 million taxes paid
- US\$214 million cash dividend

Intellectual

Innovative products and solutions

- ~18,000 active patents
- 62% of new products classified Sustainable Technology
- 16% of revenues generated by new product lines

Manufactured

Responsible and effective business operations

- >100,000 customers served
- ISO 9001, 14001, 22301, 45001/ OHSAS 18001 and IATF certifications
- 100% of manufacturing sites covered by RBA audits
- 99% of new suppliers screened on social responsibility criteria

Natural

Mitigation of the impact of our activities

- 84% decrease in PFC emissions since 1994 (per unit of production)
- 94% of waste reused, recovered or recycled
- 41% of water recycled or reused

Social and relationship

Knowledge and values shared with all

- >110,000 beneficiaries in local communities
- 389 volunteering initiatives from 33 sites worldwide
- >720,000 people trained on computer basics by ST Foundation since 2003

Unless otherwise stated, all data refer to 2019.

Our ambitions and goals

WE LIVE OUR VALUES: People, Integrity, Excellence



WE PUT PEOPLE FIRST

Health & Safety

Be a safe workplace with zero injuries, zero occupational diseases and ensure healthy lives and well-being for all.

<0.15%
recordable cases* for employees and contractors
* injuries and illnesses

RC for employees 0.16%

RC for employees includes injuries only. RC for contractors not yet available.

Labor & Human Rights

Be recognized as a leader in labor and human rights and apply a zero tolerance approach to forced labor.

100%
of ST manufacturing sites recognized by external international bodies

27%

3/11 sites with RBA Platinum recognition.

Development & Engagement

Offer the best employee experience in all the locations where we operate.

Employee engagement rate
+10 points
above country norms

7/11 countries

China, Japan, Malaysia, Singapore, Switzerland, the Philippines and USA.

Diversity & Inclusion

Achieve full gender equality and be a leader in cultural and disability inclusion.

>20%
women in all management levels

Experienced 18%

Senior 13%

Executive 9%

WE IMPROVE EVERYBODY'S LIFE

Innovation & Profits

Sustain profitable growth, with clear and focused leadership objectives in the four end markets we address.

>20%
of revenues generated by new product lines

15.9%

Quality

Lead our market in terms of product quality, with no severe quality incidents, while meeting the most stringent customer expectations.

-75%
severe quality incidents*
* 2016 baseline

-70%

Sustainable Technology

Design and manufacture products that have the greatest positive impact on the planet and society.

x3
% revenues generated by responsible products*
* vs 2016

x1.5



WE PROTECT THE ENVIRONMENT

Energy & Climate Change

Continuously reduce our carbon footprint and our impact on climate change by decreasing our GHG emissions and improving energy efficiency.

-20%
energy consumption and GHG emissions*
* Normalized values vs 2016

GHG emissions -21%

Energy consumption -14%

Water

Maintain our leadership in water efficiency by reducing consumption, recycling more, and reinforcing our efforts in water scarcity areas.

-20%
water consumption*
* Normalized values vs 2016

-9%

Waste & Chemicals

Strive for zero waste in landfill, reduce our consumption of chemicals and eliminate hazardous materials.

95%
of our waste reused and recycled

94%



TOGETHER, WE SHAPE THE FUTURE

Supply Chain Responsibility

Systematically assess and mitigate social, environmental, health & safety, and ethical risks in our extended supply chain.

100%
suppliers at risk audited

18%

88/500 suppliers audited.

Education & Volunteering

Prepare the future by supporting education in schools in all the countries where we operate.

STEM* education partnerships in **20 countries**
* Science, Technology, Engineering and Mathematics

9/20 countries

China, Czech Republic, France, India, Italy, Malaysia, Singapore, the Philippines and USA.



2019 highlights

15.7%
of revenues invested in R&D

MEMBER OF
Dow Jones Sustainability Indices

In collaboration with **SAM**
a RobecoSAM brand

Inclusion in DJSI
World and Europe

62%
of new products classified as responsible products



50
average training hours per employee

41%
of water recycled and reused

94%
of waste reused, recovered or recycled

100%
of products are conflict-mineral free

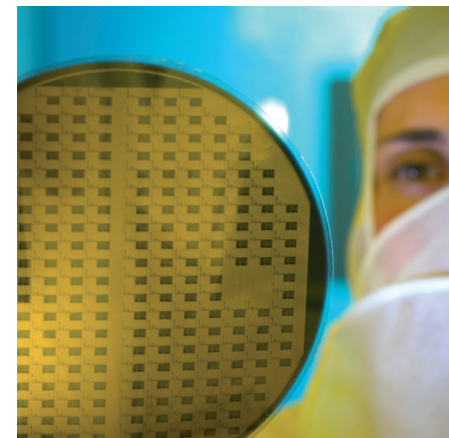
177
supplier responsibility audits since 2015

100%
of ST manufacturing sites covered by RBA audits



77%
of employees recommend ST as a great place to work

-21%
GHG emissions vs 2016



0.16
recordable case rate - among the best-in-class

CDP
B score for water and climate change

>97,000
medical acts conducted

>250
women in the Women in Leadership program since 2015



389
education and volunteering initiatives from 33 sites worldwide

Sustainability strategy

Sustainability has been embedded in our business practices for more than 25 years and is a major factor in our effectiveness and long-term success. It is integrated throughout our entire business, allowing us to maximize opportunities in areas such as Sustainable Technology, Innovation, and People Engagement, as well as helping us to predict and mitigate risks in our operations and business performance.

At the heart of our sustainability strategy is an unceasing focus on what really matters for ST and our stakeholders. Sustainability topics are diverse but all support ST's vision to make a positive contribution to people's lives.



Jean-Louis Champseix

Group Vice President, Corporate Sustainability and Staffing

Sustainability is a driver of our resilience, competitiveness and long-term success. It empowers value creation while reducing risks for us and our stakeholders. By anticipating and adhering to the highest standards, we progress together with our partners to achieve ambitious goals related to working conditions, ethics, employee experience, safety and environmental efficiency and in this way, we embrace dynamic sustainable growth."

We live our values

As one of the world's leaders in semiconductors, we have a responsibility to lead by example. We believe that conducting our business with the highest standard of integrity is essential to our long-term success.

Our Code of Conduct is all about our values, which are shared throughout the Company. The principles it contains are the top level reference for guiding our behavior, decision making and activities.



PEOPLE

We behave with openness, trust and simplicity; we are ready to share our knowledge, encourage everyone's contribution, develop our people through empowerment, teamwork and training; each one of us is committed and personally involved in the continuous improvement process.

INTEGRITY

We conduct our business with the highest ethical standards, honor our commitments, deliver on our promises, are loyal and fair and stand up for what is right.

EXCELLENCE

We strive for quality and customer satisfaction and create value for all our partners; we are flexible, encourage innovation, develop our competences, seek responsibility and are accountable for our actions; we act with discipline, base our decisions on facts, and focus on the priorities.

'Speak up' culture

We encourage everyone, including external business partners, to express, in good faith, any concerns they might have regarding possible violations of our Code of Conduct, the Company's policies, or the law.

LOCALLY <ul style="list-style-type: none"> • Managers • HR managers • Legal & Compliance departments • Site managers 	CORPORATE <ul style="list-style-type: none"> • Chief Compliance Officer • CVP Human Resources • General Counsel • Chief Audit & Risk Executive 	MISCONDUCT REPORTING HOTLINE <ul style="list-style-type: none"> • Either by phone or online: www.st.ethicspoint.com
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We improve everybody's life


Inclusion in
DJSI
World and Europe


15.7%
of our revenues
invested in R&D


588
new patents
filed in 2019

15.9%
of revenues
generated by new
product lines

138
active R&D
partnerships

IATF
certified

62%
of new products
are classified
responsible
products

Sustainable Profit

Our commitment to sustainability is embedded in our financial strategy, helping us not only to manage risks but to create short-term as well as long-term opportunities.

Our results in 2019 were in line with the full year expectations; net revenues of US\$9.56 billion, with a gross margin of 38.7% and an operating margin of 12.6%.

We achieved strong growth of around US\$1 billion in the second half of the year compared to the first half, driven by a stronger than expected contribution from engaged customer programs and new products.

Innovation

Innovation is the fuel that drives our sustainability and our growth. As a technology and innovation-driven company, we invested US\$1.50 billion in research and development (R&D) in 2019, representing 15.7% of our net revenues.

Around 7,800 ST employees work in R&D, and design. This includes 696 technical staff members recognized for their advanced expertise, who play a key role in cross-functional knowledge sharing. This community drives our most advanced innovation, developing new technology and fostering R&D partnerships with prestigious universities and partners worldwide.

Quality

Quality is a priority in ST. Our vision is to elevate ST to the highest level of quality, making it an asset for our customers. We are continually adapting to ensure we have the necessary infrastructure and organization in place so that our products meet the highest quality and reliability requirements of customers in the markets we serve.

Our commitment to fostering a culture of quality was confirmed by our 2019 employee engagement survey. 82% of employees said they clearly understand how quality expectations fit into their job requirements.

Sustainable Technology

Sustainable Technology, our product stewardship program, is about improving our social and environmental footprint at every stage of the product lifecycle, from raw material extraction to end of life. Since the start of the program in 2011, we have been designing, identifying and promoting innovative responsible products that deliver environmental and social benefits such as reducing energy consumption, saving resources, protecting the environment, and improving people's quality of life. Our Sustainable Technology program is based on three axes: product compliance, eco-design and responsible applications.



Mobile World Congress, Barcelona, Spain

We put people first



average of
50
hours of training
per person



105
different
nationalities



79%
employee
engagement
score



'Octobre rose', ST Crolles, France

0.16
recordable injury
case rate

100%
of ST
manufacturing
sites covered by
RBA audits

1,500
employees
participated
in Leadership
Augmented

34%
of women in our
workforce

Health and Safety

Maintaining a healthy and safe workplace at all our sites is about more than just policies and procedures; it is about building a culture of health and safety alongside our employees and subcontractors and promoting well-being everywhere and for everyone.

We believe that investing in employee health improves both vitality and productivity, energizing the entire organization and improving results. Accordingly, we take a strategic approach to creating safe and pleasant workplace environments that promote both physical and mental health among employees.

We align our programs with industry risks, with a priority on preventing employees' potential exposure to hazards such as chemicals, fire, radiation and nanomaterials; and mechanical, handling and ergonomic risks.

Labor and Human Rights

Treating our employees with respect and dignity is a fundamental part of ST culture, dating back to our inception in 1987. Since then, we have put many programs in place to make this commitment a reality in our employees' day-to-day lives.

As a member of the Responsible Business Alliance (RBA) since 2005, we uphold the highest standards and apply a comprehensive due diligence process covering nine core principles: freely-chosen employment, prevention of underage labor and protection of young workers, fair organization of working time, fair wages and benefits, fair treatment and anti-harassment, non-discrimination, freedom of association, fair working conditions and employee well-being and privacy of personal information.

Development and Engagement

We aim to be recognized as a market-leading, attractive, and innovative employer where entrepreneurial spirit, feedback, cooperation, responsibility and leadership are the norm. In 2019, we introduced more attractive employer branding and defined a new staffing strategy to reinforce ST's external image. We also strengthened our people management process with collective and individual assessments, enhanced our coaching programs and focused on instilling leadership skills at every level of the Company to ensure a consistent global culture. In our employee survey, 77% of employees recommended ST as a great place to work.

Diversity and Inclusion

We strongly believe that a diverse workforce and an inclusive work environment increase our performance and bring value to our business through effective innovation, engagement, attractiveness, and agility.

In 2019, we reviewed our Diversity and Inclusion governance to give a new impetus to our programs. Our global strategy focuses on three pillars that will drive numerous programs at both company and local levels: striving for a diverse workforce, supporting career development, and developing an inclusive culture.

We protect the environment



94%
of waste reused,
recovered or sent
for recycling



-21%
GHG emissions
per unit
of production
vs. 2016



41%
of water recycled
and reused

26%
of renewable
energy

76%
reduction in our
water footprint over
the last 25 years



>29,000
validated risk
assessments

Photovoltaic carport, ST Bouskoura, Morocco

Energy and Climate Change

In ST, we recognize the importance of climate change and the related risks and take action to mitigate the impact of our activities. In 2019, we accelerated our efforts to address this challenge and introduced specific initiatives to significantly reduce our air emissions. As a result, we reduced by nearly 21% our greenhouse gas (GHG) emissions per unit of production compared to our 2016 baseline, achieving our target six years early. Thanks to this achievement, we are now working on more ambitious targets to move towards carbon neutrality.

In 2019, all our manufacturing sites continued developing initiatives to better manage their energy consumption and reduce ST's footprint. These actions, associated with an increase in the use of renewable energy, helped to reduce our absolute indirect emissions by 11% compared to 2018.

Water

Over the last 25 years, ST has adopted a comprehensive approach to water management, including water stress assessments, conservation programs, and initiatives with local communities to reduce water extraction and consumption.

Semiconductor manufacturing processes are more and more complex and require an increasing volume of ultra-pure water for both front-end and back-end sites. Against this background, we maintained a rate of 41% recycled and reused water in 2019, although our water consumption slightly increased.

Waste and Effluents

Our waste management programs cover all waste streams generated by our own operations and all related activities and products. We prioritize solutions to reduce, reuse, recycle, and recover rather than dispose, and we align our actions with both local regulations and ST policy, always applying the most stringent requirements.

When waste leaves our sites, it still needs to be properly treated and disposed of. Local EHS teams visit waste disposal suppliers to assess their compliance with ST's requirements, local regulations, best practices and treatment techniques. In 2019, 25 audits were performed at our suppliers' waste disposal facilities, six more than in 2018.

Chemicals

ST takes a precautionary principles approach to responsibly managing chemical substances and materials, to protect people and the environment and comply with customer and legal requirements.

All chemicals used on site are evaluated before being used. The evaluation focuses on the composition, the hazards and the use conditions, including risk management measures, personal protective equipment, waste management and administrative controls.

We implement programs on all sites to improve safety during chemical handling and to reduce employee exposure. We continue to strengthen the safety of equipment and controlled conditions. The 10,326 industrial hygiene measurements we performed during the year were all below the applicable limits, demonstrating the effectiveness of our mitigation actions.

Together, we shape the future



100%
of our products are
conflict-mineral
free



389
education and
volunteering
initiatives from
33 sites worldwide



145,498
hours of
Company time
donated



New fab construction, ST Agrate, Italy

177
supplier
responsibility
audits since 2015

100%
of our 3TGs
smelters validated
through RMAP



STEM your way
Innovation depends on you

Supply Chain Responsibility

ST is committed to partnering with suppliers who share our values of respecting people and doing business with integrity and excellence. We also require suppliers to apply our standards to their own supply chain.

Our main Supply Chain Responsibility program addresses labor and human rights, safety, ethics and environmental risks in our tier 1 supply chain. It is based on the Responsible Business Alliance (RBA) methodology, adopted in 2006 and deployed progressively since then. It comprises three steps:

- Commitment - Suppliers declare their commitment to ST's RBA-based standards.
- Assessment - Suppliers complete an RBA self-assessment. The results enable us to identify areas that require attention.
- Audit - Suppliers receive an RBA audit to monitor and control compliance and address areas of non-compliance.

In 2019, 93% of eligible suppliers signed an agreement to comply with the RBA standard.

Responsible mineral sourcing

Our Supply Chain Responsibility approach also goes beyond our tier 1 suppliers and covers the responsible sourcing of raw material in our upstream supply chain. In 2019, we had 253 smelters in our tin, tungsten, tantalum and gold (3TGs) supply chain. For the third consecutive year, we successfully validated all of them through the Responsible Minerals Assurance Process (RMAP).

As an active participant in the Responsible Minerals Initiative (RMI), we began to monitor our cobalt supply chain during 2019. Multiple reports have highlighted concerns over the social and environmental impacts of cobalt extraction, including child labor and unsafe working conditions in artisanal cobalt mining.

Education and Volunteering

Our ambition is to prepare the future by supporting education in schools in all the countries where we operate. As a global leader in the electronics industry, we believe we can make a valuable contribution to raising awareness in young people about the importance of STEM subjects (science, technology, engineering, mathematics) and inspiring the next generation to explore STEM-related careers.

Through our 'STEM your way' program, we invest in the future of the communities we support, sharing with young people our passion for science and electronics. In 2019, among the 389 community initiatives we conducted worldwide, 83% supported education.

ST Foundation

The ST Foundation develops and sponsors projects that employ technology to promote human progress and sustainable development of less privileged communities around the world.

Digital Unify is the main program of the ST Foundation. It aims to spread the benefits of digital technology by providing free-of-charge equipment and training in basic computer skills. Since its inception in 2003, it has trained nearly 730,000 people in 26 countries. In 2019, over 100,000 students took part in basic computer training and 'Tablets for Kids' classes alone.

Contributing to the Sustainable Development Goals (SDGs)



The SDGs set by the United Nations define global sustainable development priorities and aspirations for 2030, highlighting the world's biggest social and environmental challenges. As a multinational company, we believe we have a responsibility and a role to play to help achieve these goals. We mapped the 17 SDGs to our material topics and business strategy. We then identified the 10 goals that are most relevant to our sustainability strategy. Our performance against these SDGs is highlighted throughout this report.

3 GOOD HEALTH AND WELL-BEING



- We aim to ensure healthy lives and well-being for all.
- We are engaged in minimizing risks of negative impact on people due to our activities.

6 CLEAN WATER AND SANITATION



- We are committed to reducing our water consumption and recycling more.
- All our wastewater is treated before being discharged into the environment.
- We strive for zero waste in landfill.



4 QUALITY EDUCATION



- We support education in all the countries where we operate.
- We develop the competence of our employees through a blended approach.

7 AFFORDABLE AND CLEAN ENERGY



- We deploy programs to improve energy efficiency in all our manufacturing sites.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- We promote open innovation and partner with a wide range of universities and research institutes throughout the world.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- We strive for zero waste in landfill, reduce our consumption of chemicals and eliminate hazardous materials.

5 GENDER EQUALITY



- We aspire to achieve full gender equality.
- Our Women in Leadership program prepares the next generation of women leaders.

8 DECENT WORK AND ECONOMIC GROWTH



- We apply a zero tolerance approach to forced labor.
- We assess and mitigate social risks in our extended supply chain.
- We focus on providing a safe workplace with zero injuries and zero occupational diseases.

10 REDUCED INEQUALITIES



- We promote equal opportunities for all.
- Our ambition is to be a leader in cultural and disability inclusion.

13 CLIMATE ACTION



- We deploy programs to reduce our GHG emissions.
- We actively participate in industry initiatives for action on climate change.

Awards 2019 overview

Each year we receive external recognition for our sustainability practices.

FRENCH AWARD FOR BEST DUE DILIGENCE PLAN

ST was awarded the prize for 'Best Due Diligence Plan' by the French Sustainable Investment Forum (FIR) and A2Consulting. The award recognizes companies in the French stock market index (CAC 40) with the best due diligence plan in accordance with the French Duty of Vigilance law, taking into account the human rights and environmental impacts in their operations and supply chain.



REDUCING WASTE IN FRANCE

The 'Touraine Propre' organization in France commended our Tours site in the 'large company' category, for its elimination of plastic cups and paper receipts in the canteen. The plastic cups were replaced by reusable mugs for all employees.



Photo: Stéphane Cojot-Goldberg

CEO FACULTY APPRECIATION NIGHT

CS Tan, Group Vice President and General Manager of ST Muar (Malaysia), was recognized by the Malaysian Ministry of Higher Education for his participation in the Academia Industry Talent Exchange Program (AixCHANGE).



ST CALAMBA RECOGNIZED FOR ITS SAFETY PRACTICES

ST Calamba (the Philippines) received a Meralco Kuryenteng Ligas (K-Ligtas) award, the Philippine's first recognition program for electrical safety best practices. The site was recognized for its comprehensive programs on health and safety, emergency preparedness, energy efficiency and conservation, and electrical safety programs.



ITALIAN NATIONAL INNOVATION AWARD

ST received the prestigious National Innovation Prize 'Premio dei Premi' from the President of the Italian Senate, Maria Elisabetta Alberti Casellati. The prize was awarded in recognition of our constant commitment and investment in research and innovation, confirming ST as a leader in the global microelectronics market.

MOST ATTRACTIVE EMPLOYER IN ITALIAN ELECTRONICS SECTOR

ST Italy was ranked as the most attractive company in the electronics sector in Randstad's 'Employer Branding 2019' survey. The survey, placed ST first in eight of the 10 key factors: good work-life balance, job security, attractive salary and benefits, interesting job content, use of the latest technology, career progression, good reputation and pleasant work atmosphere.

At STMicroelectronics we create technology that starts with You

This report has been prepared by:
ST Corporate Social Responsibility team

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Feedback

We value your feedback. You can email
us at: sustainable.development@st.com

For more details, please read the 2020
sustainability report on
sustainabilityreports.st.com



Reference: BRSTREPORTS2020

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