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Addendum to ST Code of Conduct Building Trust Together



Content

1.	Introduction	3
2.	Bribery & corruption	4
	A. What is Bribery and corruption?	4
	B. Areas of increased risks/vigilance	5
	C. Practical guidance against bribery and corruption	6
3.	Gifts, Meals and Entertainments	7
	A. Gifts	8
	B. Meals and entertainments	9
4.	Seeking advice	10
5.	Disciplinary measures	10
6.	Reporting Violations and Concerns	11

Introduction



ST has a zero-tolerance approach towards any form of bribery and corruption!

We are committed to operating in an ethical manner and in compliance with applicable laws and regulations. In line with our culture of integrity, it is our policy to prohibit the direct or indirect giving or receiving of improper payments or other benefits for purposes of obtaining or maintaining any benefits with or from any third party.

The purpose of this Addendum is to provide supplementary guidance and practical information next to the Code of Conduct, in order to further help prevent and detect risks of corruption or influence peddling. It also includes specific recommendations to be followed in various business situations that employees may encounter.

All ST employees worldwide must understand and comply with our Code of Conduct and this Addendum. In case of doubts or questions, please contact the Compliance, Ethics & Privacy team (compliance@st.com) for help. You can also find useful information on our dedicated intranet pages (<https://stmicroelectronics.sharepoint.com/sites/Compliance>) or our mobile app ST Integrity.

Bribery & corruption

Bribery and corruption are widespread and a serious problem in many parts of the world. Many countries have enacted laws and regulations to prohibit paying bribes – not only to public officials but also to any private persons. As ST employees, we must not only follow the spirits of the laws but also do more in our daily business activities to protect ST's reputation and our culture of integrity.

A. WHAT IS BRIBERY AND CORRUPTION?

A bribe is defined as the solicitation or acceptance (i.e., bribe-taking) or the offering or promising (i.e., bribe-giving) of an undue reward (which could take the form of a gift, invitation, payment, benefit, or any other thing of value for the receiver), with the intention to influence the decision of a person in a particular position (public or private).

Corruption may be *active* or *passive*, but in both cases, it is illegal and a criminal offence:

- **Active corruption** is the action of offering, promising, or paying a bribe to someone.
- **Passive corruption** is the action of soliciting, agreeing to receive or accepting a bribe from someone.

Corruption and bribery ("corruption") take many forms; here are only some of the most common types of corruption you may encounter in the field:



Bribes

Bribes may take the form of money, gifts, favors or anything else offered to influence the judgment or conduct (through action or inaction) of a person. By example, offering a job to the son of a decision maker to influence favorably his or her decision is a bribe.

Bribes are against the law and are always prohibited.



Kickbacks

A kickback is a form of "commission" paid to a corrupt individual in exchange for his or her influence in the decision-making process (typically, to secure a business or to by-pass the normal bidding process). By example, the price of a good or a service may be artificially increased to include a back payment to the corrupt person.



Influence peddling

Influence peddling means using someone's influence in the government or connections with any persons in a position of authority (for example, the mayor of a city or a member of the government) to obtain favors or preferential treatment for oneself or someone else. This is usually done in return for a personal advantage or gain for the intermediary.

Influence peddling is always prohibited.



Facilitation payment

Facilitation payments are small amounts of money paid directly to someone to secure or expedite (i.e., to facilitate) the performance of routine work, administrative tasks or other necessary actions. Common examples are facilitation payments demanded at border crossings, where officials will hold up a company's shipment from entering a market until they receive payment.

ST prohibits any forms of facilitation payment in any country we operate, even if local laws might in certain circumstances tolerate such payments.



Conflicts of interest

Conflicts of interest are often at the root of corruption schemes. A situation of (potential) conflict of interest arises when an employee's private interests (e.g., family, friendships, financial, or social) may influence his or her judgment, decision and/or action in the workplace.

When a conflict of interest may arise (regardless of whether it is actual or potential), it must be promptly reported to the Company (e.g., through your local human resources department), who will assess the situation with your manager and, as applicable, take necessary measures to ensure that all decisions potentially affected by the situation at stake are made transparently and in the best interest of the Company.

B. AREAS OF INCREASED RISKS/VIGILANCE

Although corruption can affect all countries, sectors and professions, some people and activities are more exposed to the risk and therefore require increased vigilance.



Dealing with Public officials

We must be particularly careful when dealing with public officials or government officials, as they are subject to specific rules and restrictions.

The definition of "public officials" or "government officials" can be broad; it refers to anyone who is:

- an officer or employee of a government or a governmental agency;
- an officer or employee of international organization (such as the World Bank or the United Nations);
- a person (other than officer or employee) acting on behalf of or for any governmental agency or public international organization;
- an officer or employee of a state-owned company;
- a member or employee of a political party, or a candidate for a public office;
- a member of the royal or ruling family of a country.

As far as bribery and corruption are concerned, ST does not distinguish between public officials (or government officials) and private persons: any forms of bribery or corruption is always prohibited, regardless of the status of the recipient(s)!

DO'S



- Make sure to identify and recognize public officials.
- Be aware rules are stricter when dealing with public officials.
- Seek prior guidance from the Compliance, Ethics & Privacy office if you are not sure whether or not you are dealing with a public official.

DON'TS



- Do not give any gifts or provide any invitation to public officials without first seeking permission from the office of the Chief Compliance & Ethics Officer.



Political Contribution

A political contribution means any payments, subscriptions, loans, advance or deposit of money, donations, or any other things of value, made for the purpose of supporting a political organization or candidate and/or influencing an election for a state, regional and/or local office.

Any political contributions for whatever purpose are strictly prohibited at all times.



Donation and sponsorship

A donation is a contribution in money or in kind made to a third party, for which there may be no immediate tangible benefits or commercial return (i.e., no consideration) received by ST.

A sponsorship is a contribution in money or in kind made to a third party, usually in support of an artistic, social, sports or cultural activity in return for visibility of ST's brand or image.

Donation and sponsorship activities should always aim to support the reputation of ST as a good corporate citizen, make our employees and stakeholders proud of ST, for example by participating in national good causes, humanitarian causes, or other social or cultural initiatives.

Donation or sponsorship projects must be carefully selected in line with the Company's Code of Conduct and values, and they must be duly approved and reported, in line with the Company's guidelines, including the evaluation of any actual or perceived conflicts of interests or inappropriate influence.

C. PRACTICAL GUIDANCE AGAINST BRIBERY AND CORRUPTION

As explained above, bribery and corruption can take many shapes or forms, and some areas are bearing more risks than others. As ST employees, we must recognize and avoid all situations that could be viewed as offering, promising, giving, or receiving anything of value in exchange for an undue advantage.

EXAMPLES

Example 1:

An employee has suggested to the purchasing manager of a customer that if she would place a large order (beyond the actual needs of the customer) before the end of the quarter, so as to help this employee to meet his quarter quota, he will in return offer to this purchasing manager a personal "reward".

The employee's proposal is illegal and in violation of ST's Code of Conduct and policies.

Example 2:

A reseller has promised kickbacks to a sales employee if the sales employee helps the reseller to secure the requested quantity of ST products despite current allocation. The sales employee is considering inflating some sales data to help the reseller and secure the kickbacks.

The employee and reseller's action are in violation of ST's Code of Conduct and Anti-bribery policy. The sales employee should reject the offer and immediately report the incident to the Ethics hotline or the Compliance, Ethics and Privacy department.

Example 3:

An employee in charge of procurement has placed an excessive amount of orders from a supplier with no obvious business needs and, in recognition of her "support" to that supplier, the supplier has paid for the university tuition fees of the employee's son.

This employee is using her position for personal gain, which is a clear violation of ST's Code of Conduct and policies, as well as the law.

Example 4:

An internal user establishes a tailor-made specification to ensure the selection of a provider in exchange for a kickback.

This behavior is unacceptable and a violation of ST's Code of Conduct.

The procurement procedures must at all time be observed by all employees.

Gifts, Meals and Entertainments

Business gifts, meals and entertainments on a modest scale may be commonly used as part of the building of working relationship.

Gifts, meals, and entertainments offered or received by ST may be generally acceptable if they are business-related, appropriate in nature and value. Nevertheless, under certain circumstance, gifts, meals and entertainments may create the appearance of, or an actual, conflict of interest or corruption payment.

Although the value is an important criterion, the following (non-exhaustive list) should be considered before offering or receiving anything:

- Is the gift or invitation a normal courtesy in the concerned business environment or is it meant as an attempt to influence the receiver's judgment in making business or administrative decision?
- Is the gift or entertainment modest and infrequent or could it appear to place the receiver under an obligation to reciprocate the favor?
- Does the gift or invitation have a legitimate business purpose?
- Is the gift or invitation given or received transparently or would the receiver/giver, be embarrassed if its manager, colleagues, or anyone would become aware of it?

Gifts, meals, or entertainments that appear to compromise one's ability to make a fair and independent business decisions may be perceived as a bribe and create ethical issues .

ST relies on employees' loyalty to self-report gifts, meals, or entertainments they have received or offered. While gifts, meals, and entertainments with value of less than 50 USD per person may generally be accepted, while gifts, meals, or entertainments with a value of more than 50 USD per person would require prior approval by management (and above 150 USD by both the management and the Compliance, Ethics & Privacy organization).



A. GIFTS

As a general rule, employees must never ask for gifts, gratuities or other items that benefit them personally, regardless of value. Employees are expected to exercise good judgment in accepting gifts from suppliers, customers, or other business associates.

Customary gifts with small value as a gesture of good business relationship is permitted if they are transparent and not frequent.

However, by their nature or frequency, certain gifts are always prohibited:

- Cash or cash equivalent (e.g., vouchers, gift certificates, or gift cards);
- Gift to public or government officials are never authorized (exceptions, if any, are subject to prior assessment and authorization by the Compliance, Ethics & Privacy organization);
- Gifts and invitations from or to concerned vendors during bidding process.

EXAMPLES

Example 1:

During the negotiation process for the renewal of an important contract, the supplier offers to the employee in charge of the negotiation, a ticket for two to attend the FIFA World Cup finals.

The employee must refuse this offer which is inappropriate and report the incident to his management and the Compliance, Ethics & Privacy Office.

Example 2:

An employee offers flowers to a customer who recently opened a new office in town.

The gift appears to be a courtesy following the opening of a new office and is therefore acceptable.

DO'S



- Seek guidance from the Compliance, Ethics & Privacy team if you are unsure about the nature of a gift or invitation you may give or receive.
- Before accepting any gifts or invitations of more than 50 USD of value, seek approval from your manager.
- Always be transparent about gifts or invitations received or given.

DON'TS



- Don't give any gift to public or governmental officials.
- Never accept or offer lavish or inappropriate gifts.
- Don't accept gifts or invitations from vendors during a bidding process.

B. MEALS AND ENTERTAINMENTS

Meals are common business practice and may be generally allowed if they have a legitimate business purpose. However, in certain circumstances meals may be inappropriate, for example during a competitive bidding process, or if unreasonably frequent and/or expensive. In case of doubt, employees may seek the assistance of the Corporate Compliance, Ethics & Privacy organization.

Working events with a business purpose (such as conferences, sales conventions, technical seminars, etc.) may feature legitimate entertainment activities, provided this portion is accessory and appropriate in nature.

EXAMPLES

Example 1:

During a tender process, a supplier seeks to invite one or more members of the tender committee to a restaurant in order to further discuss its service offering and answer possible questions.

Answering this invitation during the tender process, before making an important decision concerning the supplier, may be considered a bribe. The invitation must therefore be declined, and the incident reported.

Example 2:

An employee is invited by a vendor to a half day conference followed by a weekend-long stay in a luxury resort for him and his family. All expenses are covered by the vendor.

In our example, one could easily doubt the legitimacy of the business purpose of such a short conference followed by a family weekend fully covered by the vendor. The vendor inviting the employee's family is a clear red flag. Therefore, the invitation should be declined.

DO'S



- Be transparent in your expense claim by submitting complete and authentic receipts and/or invoices and by listing the persons invited who attended the meal.
- Seek guidance from the Compliance, Ethics & Privacy team if you are unsure about the nature of the invitation you may give or receive.

DON'TS



- Decline meals invitations by the concerned vendor during bidding process.

Seeking advice

When in doubt or if you need additional information, please seek guidance from the Compliance, Ethics & Privacy organization

We also advise you to visit our dedicated intranet pages (<https://stmicroelectronics.sharepoint.com/sites/Compliance>) and to download our ST Integrity App, which is available on the main App stores. On those digital platforms, you will find additional useful information and resources, including short videos (available in multiple languages), quizzes and the latest news and developments about Compliance, Ethics and Privacy's principles and initiatives.

E-learning such as – but not limited to - anti-bribery & corruption or conflict of interest are available to help you to learn to identify and to react to risky situations. You can find our full catalogue of e-learning on our intranet: <https://stmicroelectronics.sharepoint.com/sites/Compliance/SitePages/Our-e-learning.aspx>

Disciplinary measures

Compliance with the provisions and guidelines included in this Addendum is mandatory at all times. Any violations thereof may result in appropriate disciplinary sanctions, up to and including termination of employment. Disciplinary actions will be carried out consistently based on the seriousness of the offense, regardless the offender(s) job title, position, or location.

Further, corruption and bribery is a matter of criminal law and, therefore, individuals taking part or being complicit in a pattern of corruption and/or bribery might also be subject to other criminal or civil sanctions (which depending on the concerned jurisdiction may include jail time, fines and more).

Reporting Violations and Concerns



ST's management strives for the cultivation of a “speak up” culture, allowing everyone to express any concern he or she might have when Company's executives, managers or employees or any business partners of the Company might or seem not be adhering to the Company's standards of business ethics expressed in ST's Code of Conduct, including this Addendum.

All ST employees should feel comfortable speaking up, asking questions, and expressing their concerns freely.

ST employees and interested third parties are encouraged to share their concerns, without fear of retaliation, via our Ethics hotline, which is available 24 hours a day and 7 days a week. Our hotline allows for the reporting of all concerns confidentially and, whenever needed, anonymously.

The contact details of the hotline are posted and available for all employees and interested third parties on our intranet (<https://stmicroelectronics.sharepoint.com/sites/Compliance/SitePages/Speak-up!.aspx>), local intranets, ST Integrity App, as well as on website: www.st.com.

ST Employees can also choose to report confidentially their concerns directly to the Chief Compliance & Ethics Officer (CCO) and/or the Chief Audit & Risk Executive (CA&RE), or their respective regional delegates.

For further details, please visit our dedicated intranet pages or ST integrity App, refer to our “Speak Up!” policy and/or contact our Compliance, Ethics & Privacy organization.

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