

# Acting together



ST is a partner of Yes We Code!, a CGénial program  
Photo: CGénial Foundation



# Responsible Supply Chain



Suppliers on site, ST Crolles, France

A responsible supply chain is essential to sustainable business success. At ST we are committed to partnering with suppliers who share our values of respecting people and driving business with integrity and excellence, and we expect the highest standards from them.

## Our supply chain

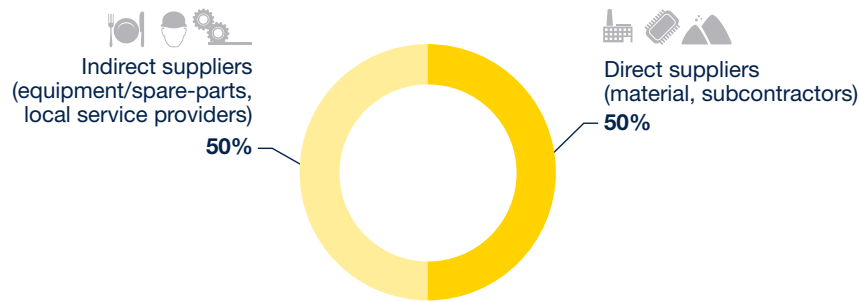
### What we buy and where we buy it from

We procure materials, goods, and services from approximately 6,500 tier 1 suppliers of various types and sizes. Our suppliers range from external manufacturing subcontractors, material suppliers, equipment and spare-parts suppliers, to onsite service providers and labor agencies. In 2021, around 49% of our procurement spend was with suppliers based in Asia and 44% in Europe. 37% of our procurement volume is managed locally. The rest is managed centrally at corporate level. [I 204-1 I](#)

**44%**

**of procurement spend  
in Europe**

Starting in 2021, we have aligned our suppliers' categories with the Responsible Business Alliance (RBA) definitions. Direct suppliers are those who provide services or materials for finished goods. Our equipment and spare-parts suppliers are now categorized as indirect suppliers, which represent half of our procurement volume.



## Evolving legislation

We keep up to date with the numerous regulations that have been published regarding due diligence in the supply chain. All our tier 1 suppliers are screened automatically and continually against restricted party lists. We organize a due diligence committee twice a year involving different corporate organizations to discuss our supply chain sustainability management. At the end of 2021, we created an additional transversal task force that meets twice a month, which aims to adapt our supply chain management approach to reflect forthcoming legislation on forced labor.

### Due diligence committee

## Risk management

### Business risks

In the current challenging conditions of the global economy, we identify strategic suppliers (critical for the business) according to the spend level, the scarcity of their product, and the availability of alternative sources. These strategic suppliers are periodically assessed, providing the flexibility our global procurement organization needs to secure business continuity.

We implemented a new supply chain risk management tool in our procurement team in 2021. Harnessing big data, machine learning and artificial intelligence technology, this real-time supplier information platform informs our buyers about any new threats or events potentially impacting our supply chain, triggering proactive action or recovery plans whenever necessary to prevent or mitigate the risk.

### Sustainability risks

We perform an annual risk assessment of our tier 1 suppliers that enables us to identify, manage, mitigate, or avoid sustainability risks within our supply chain, if possible.

Our 2021 risk assessment was based on the results of a supply chain intelligence platform, using publicly available as well as audit data. We weighted this with specific semiconductor sector metrics, including the location of supplier facilities. This process allowed us to identify 810 suppliers with a score above 4.8 out of 10. We then fine-tuned the process for service providers, according to spend, regular presence of suppliers on site, and activities at risk.

Ultimately, 376 suppliers across 616 facilities were identified as being at risk in terms of sustainability.

### Annual risk assessment

# Monitoring

In our standard contract, suppliers declare that they have read and understood ST's Business Ethics and Corporate Responsibility Statement and that they acknowledge and agree to comply with the latest version of the RBA code of conduct. This established standard ensures that working conditions are safe, workers are treated with respect and dignity, and business operations are ethically and environmentally responsible. By agreeing to comply with the RBA code, suppliers are also required to deploy the code to their own supply chain.

In addition to this, our suppliers at risk follow a rigorous process based on the RBA methodology, adopted in 2005 and deployed progressively in our supply chain since then. It comprises three main steps.

<b>Commitment letter</b>	Suppliers sign a Supply Chain Responsibility Commitment letter, where, in addition to agreeing to comply with the RBA code, they agree to complete self-assessment questionnaires and accept second- or third-party audits.
<b>Self-Assessment Questionnaire (SAQ)</b>	Suppliers complete an RBA self-assessment. The results enable us to identify areas that require attention.
<b>RBA audit &amp; follow-up (VAP)</b>	Suppliers receive a third-party RBA Validated Assessment Program (VAP) audit, or a second-party RBA-based audit, to monitor and control compliance and address areas of non-compliance with corrective actions

In 2021:

- 90% of our suppliers at risk signed the RBA commitment letter.
- 434 suppliers' facilities completed a SAQ.
- 38 facilities of direct suppliers (subcontractors, material suppliers) and 5 equipment and spare part suppliers' facilities had a third-party RBA audit.
- 36 local, indirect service providers (canteen, cleaning, security, gardening, dormitories, maintenance, labor agencies, etc.) had a second-party audit.

All audited suppliers with non-conformances are obliged to put corrective actions in place. These are verified in a follow-up closing audit.

If the supplier is unable or unwilling to meet these requirements, sanctions may be taken. Possible actions include:

- sending a warning letter from executive management
- selecting alternative products or services to decrease the supplier's market share
- temporary or definitive termination of the contract and the supplier being blacklisted

## Top 5 audit findings of material, equipment/spare-parts suppliers and subcontractors<sup>(1)</sup>

| 308-2 | 414-2 |



<sup>(1)</sup> Based on results of 43 third-party RBA audits.

## Top 5 audit findings of local service providers<sup>(1)</sup> | 308-2 | 414-2 |



<sup>(1)</sup> Based on results of 36 local service providers' second-party RBA audits.

### FOCUS

#### RECRUITMENT FEES REMEDiation: FROM POLICY TO PRACTICE

As an RBA member, ST is publicly committed to eradicating recruitment fees from its supply chain to protect vulnerable groups, including migrant workers. Direct communication with our suppliers, SAQs and audits allow us to detect if workers have paid recruitment fees or other related fees.

In such cases, we adopt an inclusive, multi-stakeholder approach involving the supplier, the recruitment agencies, and the workers in a transparent manner. We engage immediately in a remediation process, starting with an investigation, leading to the reimbursement of any fees paid. The supplier is also required to implement systemic changes, including a zero-fee policy, to avoid any future recurrence. Throughout the entire process, we provide the supplier's staff with free access to relevant training resources.

In 2020/2021, six suppliers reimbursed fees to workers totaling US\$167,500, while other remediation processes are still in progress.



## Capacity building on sustainability

### Training our buyers and executives

To increase awareness of responsible purchasing practices, our procurement teams, comprising 285 buyers and procurement managers, attended webinar sessions on supplier and subcontractor due diligence, with a focus on social risk and forced labor and an update on worldwide regulations.

In December, all ST buyers were also enrolled in the RBA's Responsible Procurement training. By the end of the year, 88 buyers had completed at least one training module. This training will continue in 2022.

In addition, we enrolled our sustainability council members in the RBA Responsible Mineral Sourcing e-learning program to increase their awareness of this important subject.

### Training our suppliers

We are not only committed to controlling our suppliers, but also to supporting them in raising their awareness and capability to comply with required standards.

Our aim is to help our suppliers improve their performance sustainably, through dedicated e-learning on risks in areas such as labor (including working hours and forced labor), ethics, health and safety, environment, and management systems.



We deploy supplier e-learning in the RBA training platform, as well as webinars and in-person training. In 2021, we trained over 400 suppliers' employees representing more than 200 companies.

In addition to this, our worldwide community of experts supports suppliers' continuous improvement through ongoing dialog and sharing best practices. An example of this is the support provided by our ST Muar site (Malaysia) to one of our key suppliers.



**MEMC**  
A GLOBALWAFERS COMPANY

**Abdul Ghaffar Bin Attan**  
HR & ESH Manager, MEMC  
Electronic Materials Sdn. Bhd.  
(Malaysia)

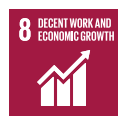
*MEMC Electronic Materials' Kuala Lumpur team was invited by ST to visit its Muar (Malaysia) site in November 2021. It was a great learning experience to further enhance our knowledge of RBA requirements. The biggest challenge that we have encountered is managing foreign workers. From the visit, we learned that some of ST's foreign worker management methods could be adopted to improve our practices. The collaboration will be ongoing, with ST sharing information to assist us in enhancing RBA practices."*

## Grievance reporting

Like ST employees, our suppliers and their workers are encouraged to use our independent external hotline to share any concerns. This channel is reachable online or by phone in local languages and allows reports to be made anonymously if desired. In grievance cases, ST and the supplier must ensure complainants are protected against any retaliation.

## Contributing to the Sustainable Development Goals

Our commitments and programs as described above contribute to:



**SDG target 8.7** – Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor.

**SDG target 8.8** – Protect labor rights and promote safe and secure working environments for all workers.



**SDG target 17.16** – Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

2025 sustainability goal	Status	Comments
SG20: Conduct an annual risk assessment of our supply chain and audit 100% of our suppliers at risk by 2025.		Risk assessment conducted Audit: 28% with valid audit (2 year cycle – 172 out of 616 facilities at risk)
Annual sustainability goal	Status	Comments
≥ 90% of eligible suppliers signed an agreement to comply with the RBA code of conduct.		90%

# Responsible Mineral Sourcing



## Maintaining our vigilance

As a producer of electronic components, we need to source a diverse array of minerals and metals used at different stages of production in both front-end and back-end manufacturing.

This exposes us to a number of risks – notably human rights violations and environmental impact in the supply chain. The multi-tier nature of the supply chain adds further complexity, as does its global scale, which may include areas affected by conflict. We therefore need to strictly monitor our supply chain to ensure responsible mineral sourcing and to remain vigilant about the associated risks.

We have developed a holistic approach to identify, manage, and monitor responsible mineral sourcing. Although we do not work directly with smelters, we are closely engaged with our suppliers. We conduct due diligence in our sub-tier supply chain to ensure we do not procure raw materials that are directly or indirectly associated with human rights violations and to minimize environmental impact.

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**Beyond**  
**tier 1 suppliers**

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Our policy statement is fully aligned with the OECD due diligence guidelines. It is available at [www.st.com](http://www.st.com) .

# A long journey

## Acting on conflict minerals

The term 'conflict minerals' refers to minerals (and the associated refined metals) that are mined, traded, controlled, supported or financed by illegal armed groups, causing serious human rights violations and environmental damage in the region of conflict, mainly in the Democratic Republic of the Congo (DRC) and neighboring countries. Tantalum, tin, tungsten, and gold, collectively known as the 3TGs, are all conflict minerals found in everyday consumer electronics such as smartphones and laptops.

We began taking action on conflict minerals in 2007. In 2011, we joined the Responsible Minerals Initiative (RMI), formerly CSFI<sup>(1)</sup>, and started to implement a conflict minerals process focused on the DRC. In 2012, we released our first Conflict Minerals Reporting Template (CMRT). By 2017, after five years of diligent work with our supply chain, we achieved 100% conformance with the Responsible Mineral Assurance Process (RMAP) standard, meaning all our products were conflict-free.

**RMI**

**member since**

**2011**

In recent years, in line with OECD guidelines, we have expanded our focus on due diligence for minerals from conflict-affected regions to other high-risk areas.



**Laurent Orsati**

Responsible Minerals Program Manager, Product Quality and Reliability group

*Since joining the RMI in 2011, the challenges we face have continually evolved, starting from an initial focus on the Democratic Republic of Congo, to now addressing unregulated minerals like cobalt. We are actively working with the RMI to extend the due diligence process to cover more minerals. Customer expectations of product reporting are also rising. This is a very complex topic to manage for a company like ST with a large product portfolio using thousands of different materials. We are working closely with our supply chain to drive further synergies and greater process synchronization."*

## Extending to cobalt

Cobalt is an essential material found in our products and technologies. As an active participant in RMI, we extended our monitoring efforts to include the cobalt supply chain. 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.

In 2016, our first step was to identify the cobalt smelters in our supply chain and survey our suppliers using an internal reporting template. At the time, there was no standard template for cobalt monitoring. Two years later, cobalt became part of our standard process, and we published our first Cobalt Reporting Template (CRT), issued by the RMI. At the end of 2021, we started using the Extended Minerals Reporting Template (EMRT) which is a combination of the CRT and Mica Reporting Template (MRT).

In contrast with 3TGs, the lack of existing regulations on cobalt makes the smelter mapping and certification process more challenging. In addition to our own direct influence, we are counting on RMI's common actions and new regulations to speed up progress in the future. As an RMI member, we are contributing to the working group preparing a reporting template to address more unregulated minerals.

<sup>(1)</sup> Conflict-Free Sourcing Initiative.



## Risk assessment and mitigation

An essential requirement for our suppliers is to use minerals originating from smelters that conform with the RMAP standard. Each new supplier is screened, and every new raw material used is systematically pre-assessed to determine whether it falls under the scope of our Responsible Minerals Sourcing program.

We are committed to removing all non-compliant smelters from our supply chain. Every year, suppliers complete a questionnaire on our requirements, enabling us to evaluate suppliers' maturity and their willingness to commit to due diligence. Additionally, suppliers are required to provide us with their updated CMRT. In case of changes in the supply chain, suppliers are expected to notify us within two weeks and provide a compliant reporting template within 90 days.

We ensure we remain vigilant by sharing any risks we identify with ST management every quarter.

We encourage any stakeholders concerned about non-compliance or risk of non-compliance to raise a grievance either on the [ST Misconduct page](#) or through the [RMI Grievance portal](#).

## 2021 achievements

### Due diligence results

In 2021, we declared 189 smelters from 137 suppliers and subcontractors in our 3TGs supply chain.

At the end of the year, we had 99% of conformant smelters validated through RMAP, compared to 100% in 2020. The 1% reduction is due to a smelter that was declared non-compliant by the RMI in June. Since then, we have removed this smelter from our list of 32 suppliers. However, due to the complex internal process of qualifying an alternate supplier, one of our subcontractors still uses this smelter. We estimate its complete removal from our supply chain in the first half of 2022.

### Conflict minerals – suppliers/subcontractors and smelters

	2017	2018	2019	2020	2021
Number of suppliers and subcontractors associated with at least one 3TG metal	126	128	124	124	137
3TG suppliers and subcontractors that have completed the RBA-RMI <sup>(1)</sup> due diligence survey (%)	100%	100%	100%	100%	100%
Number of smelters identified in ST's raw materials supply chain	143	182	167	168	163
Number of smelters identified in ST subcontractors' supply chain	191	251	253	238	183
Total number of smelters identified in ST supply chains	197	251	253	239	189

<sup>(1)</sup> Responsible Minerals Initiative.

### Downstream assessment program

In 2021, the EU regulation on due diligence came into force requiring importers to:

- establish a due diligence process aligned with OECD guidance
- publish a yearly report
- pass a third-party audit to verify their due diligence

### Third-party audit

As an EU manufacturer, we published our yearly activity report in May 2021. We also passed a third-party audit organized by the RMI as part of the Downstream Assessment Program in November 2021. This program helped us confirm that our responsible sourcing practices are aligned with OECD due diligence guidance and validate information about our due diligence activities and practices. Participating in this program has been an opportunity to further strengthen our processes and demonstrate we are 100% aligned with expectations.

## Transparent reporting

Just as we monitor our suppliers for responsible sourcing practices, our customers monitor our own practices. In 2021, we recorded more than 400 customer requests about our management of responsible mineral sourcing, raised through our [online support](#) page.

In addition to our EU conflict minerals report, we also published our [yearly report](#) on our due diligence process, in accordance with the SEC<sup>(2)</sup>.

>400

requests regarding  
responsible mineral  
sourcing

## Recycling and recovery

With emerging technologies and the fast-moving world we live in, there has been a considerable increase in demand for minerals. However, their supply is finite, and large-scale solutions must be found to accelerate the recovery and recycling of minerals that have already been extracted.

We have made efforts internally to facilitate the recovery and recycling of metals and minerals, but progress is low due to feasibility challenges. These efforts include implementing processes that help with metal recovery, such as palladium (see [Waste](#)).

However, no single company can solve this issue alone. For there to be a significant increase in recycling rates, there needs to be a concerted industry-wide response.

## Contributing to the Sustainable Development Goals

Our commitments and programs as described above contribute to:



**SDG target 8.7** – Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor.

**SDG target 8.8** – Protect labor rights and promote safe and secure working environments for all workers.



**SDG target 17.16** – Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

<sup>(2)</sup> Securities and Exchange Commission.

# Community and Education



Robotics for kids, Catania, Italy

We have a longstanding commitment to investing in the communities where we operate and believe we have a responsibility towards our local ecosystems and society at large.

We encourage our employees to engage in local community programs aligned with our sustainability strategy and with the local, operational and cultural context. We invest in the future of the communities we support, sharing with young people our passion for science and electronics in our 'STEM your way' program. | 103-1 |

Since 2012, we have measured our community involvement through the Business for Social Impact (formerly London Benchmarking Group) methodology, a global standard to measure and manage corporate community investment. | 103-3 |



## Strengthening our performance

In 2021, we implemented 520 community initiatives worldwide, an increase of 56% on the previous year. These included:

- involvement of 33 sites in 20 different countries
- >138,000 hours of Company time, representing 68% of the total contribution
- US\$1.33 million in cash donations
- US\$1.33 million in in-kind donations

**>138,000  
hours**

**working with local  
communities**

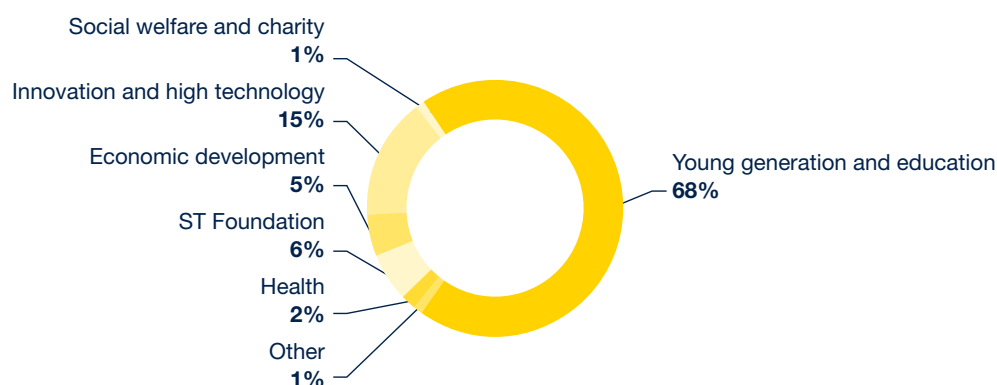


## 520 initiatives

The large increase in the number of community initiatives is largely due to the expansion of our 'STEM your way' program. This is reflected in the global breakdown of initiatives, with 68% supporting education, compared to 43% in 2020.

Other areas we supported include the ST Foundation, innovation, and economic development with startup hosting (see [Innovation](#)), and healthcare. Our support for healthcare initiatives included donations to medical research groups in Italy and support to hospitals in regions badly affected by COVID-19, for which we gave oxygen concentrators (India), respirators (Tunisia) and FFP2 masks (Hong Kong).

### Domains of involvement<sup>(1)</sup>



<sup>(1)</sup> Among initiatives classified as young generation and education, some are also related to economic development, innovation and high technology.

## STEM your way program

Our 'STEM your way' program is about raising awareness in young people about the importance of Science, Technology, Engineering and Mathematics (STEM) subjects and inspiring them to explore STEM-related careers.

>69,000

beneficiaries of our 'STEM your way' program

Our 330 STEM events and initiatives in 2021 reached more than 69,000 students and teachers. Despite the continuing pandemic, we successfully expanded the program with events in new countries, notably, Korea, Malta, Switzerland, and India, as well as rolling it out to smaller sites in existing countries, thanks to sharing best practices and the support of our major sites. The creation of a worldwide network of STEM champions and ambassadors has also allowed us to capture more data and so improve our reporting.

### FOCUS

#### STEM YOUR WAY LAUNCHED IN INDIA

The 'STEM your way' program was launched in Greater Noida (India) at the beginning of 2021, with an awareness campaign and a call for volunteers. More than 60 employees volunteered to participate and five of them formed a steering committee. The committee decided to structure the STEM your way program around three existing initiatives: Dream Classes, the Digital Unify program – both



addressing underprivileged children and teenagers – and UniConnect, a program fostering links between the Greater Noida site and various universities.

To develop the STEM your way program, volunteers identified local educational needs with the help of schoolteachers and representatives. They created four basic science modules focusing on gravity, astronomy, electricity, and thermodynamics.

More than 300 students from junior and senior schools participated in webinars and workshops. ST employees also acted as mentors for an innovation competition. The next step is to deliver training on artificial intelligence, IoT and the handling of electronics. Content has been created during the year and will be delivered in 2022.

## Starting young

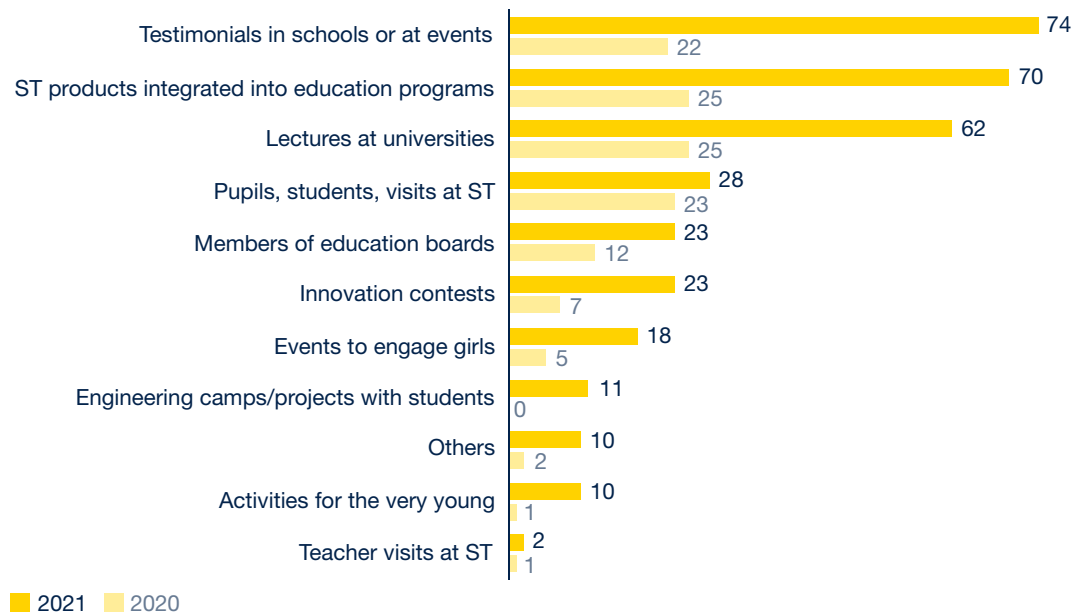
We recognize the advantage of inspiring young children who tend to be curious, open-minded, and less influenced by their peers. We developed several new activities for primary schools, such as a Tiny Teen Science Café in Kirkop (Malta). The aim of this activity is to promote the uptake of STEM subjects by bringing 10- and 11-year-olds closer to STEM professionals.

## STEM for girls

We believe our industry needs more diverse talents to create a better future and that we have a role to play in combating gender stereotypes in science and technology.

We organized initiatives in France, Italy, Switzerland, and Singapore, targeting the empowerment of girls in science. Our site in Catania (Italy) made a particularly strong contribution with five remote events in 2021, reaching 655 students.

### Number of STEM initiatives



## Middle and high schools

To address digital skills at school, we invested in a project with **Vittascience** , a French startup specializing in educational tools. The collaboration aims to support education by providing tools for coding at middle and high schools. Vittascience developed a coding platform and **two hands-on kits**  (the Martian robot and the connected plant) integrating an ST microcontroller and sensors. The kits are available in English, French and Italian and can be shipped worldwide. These developments were funded by the Important Projects of Common European Interest (IPCEI) for Microelectronics program.

**Martian robot and  
connected plant**

**kits for  
schools**



**vitta  
science**

**Léo Briand**

Vittascience – CEO and Co-founder

*Thanks to the successful collaboration with ST engineers, we designed a coding platform, two hands-on kits and activity booklets to help boost digital learning in schools. The platform and the booklets are available in French, Italian and English. It is a great opportunity to spread the tools all around the world and help students acquire new skills to equip them for the future."*

Building on our partnership with the French CGénial Foundation initiated in 2020, 50 kits were delivered to teachers in France, alongside training sessions by ST engineers and Vittascience developers. The kits were also presented to the public and middle and high school visitors during the 2021 French Fab Tour, a series of events across the country promoting French industry, co-organized by Bpifrance and UIMM<sup>(1)</sup>, in which STMicroelectronics was a partner.


## Higher education

At university level, we support students with our expertise and help to equip them with skills for their future careers.

Many of our technical experts work closely with universities and deliver courses and webinars. We have a large program with Chinese universities aimed at teaching how to use our products. We also have several partnerships with prestigious universities in the United States where, for example, we collaborate to develop open-source tutorials.

In 2021, our Tunis site (Tunisia) developed relationships with Tunisian universities by working on engineering projects with students. Our Agrate site (Italy) developed new courses to prepare future maintenance engineers for the microelectronics industry (see **Talent Attraction and Engagement**). Similarly, engineers from our Rousset site (France) joined I-NOVMICRO, an innovation program to develop and promote the microelectronics and electronics training sector in southern France, and created data analysis courses.

## ST Foundation

The ST Foundation (see [www.stfoundation.org](http://www.stfoundation.org) ) continues to bridge the digital divide between those who have access to modern technologies and those who do not. The Digital Unify (DU) program, launched in 2003, has trained over 860,000 people in 28 countries since its inception.

**>860,000**

**people trained in**

**28**

**countries since 2003**

<sup>(1)</sup> Union des Industries et Métiers de la Métallurgie



In 2021, around 86,800 trainee students took part in classes on basic and advanced computer skills, and 'Tablets for Kids'. Out of this total, 206 courses were organized entirely online during lockdowns.

The pandemic and the increasing switch to digital technologies revealed further inequalities in digital access. Although new technologies offer great opportunities for distance teaching and learning for schools, teachers, and students, they also highlight significant disparities and gaps in skills and competencies.

In this regard, the ST Foundation continued its efforts to help schools and families better manage e-learning through a program named 'Society Digitalization'. With a focus on Italy and France, this program aims to:

- secure donations of equipment to digitally excluded families
- deliver new courses and content to support teachers with digital learning
- develop an e-learning platform

To achieve this, the Foundation received a wide range of support from ST, including:

- cash donation of US\$500,000
- electronic and IT equipment
- involvement of Italian volunteers in webinars on promoting digital careers
- appointment of one full-time person to manage the Foundation's activity in France, and one in Italy in 2022
- time devoted by employees to developing new courses, especially Italian and Indian volunteers
- support from Corporate External Communication to maintain the Foundation's website and produce its activity report to external stakeholders

## Contributing to the Sustainable Development Goals

Our commitments and programs as described above contribute to:



**SDG target 4.3** – Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.



**SDG target 10.2** – Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

2025 sustainability goal	Status	Comments
SG6: Engage employees in deploying STEM partnerships in 20 countries by 2025.		9 out of 20 countries*

\* China, Czech Republic, France, India, Italy, Malaysia, Switzerland, Tunisia, USA

# Communities indicators

This section includes indicators and GRI Standard disclosures.

## Supplier agreement to comply with ST business ethics and corporate responsibility standards<sup>(1)</sup> (%)

	2017	2018	2019	2020	2021
Supplier agreement	66	65	79	89	93

<sup>(1)</sup> Percentage of total number of suppliers.

## Number of suppliers and facilities at risk for sustainability<sup>(1)</sup>

		2017	2018	2019	2020	2021
<b>Direct procurement</b>						
Material suppliers	Suppliers	99	96	87	89	103
	Facilities	244	242	237	240	277
Back-end subcontractors	Suppliers	29	28	26	28	26
	Facilities	41	45	39	40	54
Front-end subcontractors	Suppliers	5	12	7	6	11
	Facilities	14	17	18	14	23
<b>Indirect procurement</b>						
Equipment/spare-parts suppliers	Suppliers	79	74	80	58	59
	Facilities	63	102	94	75	85
Local suppliers	Suppliers	188	164	221	138	158
	Facilities	NA	NA	NA	NA	NA
Labor agencies	Suppliers	58	36	31	16	19
	Facilities	NA	NA	NA	NA	NA

<sup>(1)</sup> According to social, ethics and EHS criteria.

NA = not applicable

## Suppliers' and subcontractors' Environmental, Health & Safety performance<sup>(1)</sup> (%)

	2017	2018	2019	2020	2021
<b>ISO 14001 certified/EMAS validated</b>					
Material suppliers	93	82	97	97	88
Equipment/spare-parts suppliers	80	5 <sup>(2)</sup>	44	50	52
Back-end subcontractors	96	96	96	96	96
Front-end subcontractors	100	100	100	100	100
<b>Overall</b>	<b>89</b>	<b>58</b>	<b>76</b>	<b>82</b>	<b>79</b>
<b>OHSAS validated</b>					
Material suppliers	50	48	56	58	55
Equipment/spare-parts suppliers	23	1 <sup>(2)</sup>	14	10	14
Back-end subcontractors	67	72	75	61	66
Front-end subcontractors	70	67	78	80	80
<b>Overall</b>	<b>44</b>	<b>36</b>	<b>43</b>	<b>45</b>	<b>46</b>

<sup>(1)</sup> For the number of eligible suppliers see the table 'Number of suppliers and facilities at risk for sustainability'.

<sup>(2)</sup> Issue with data consolidation in 2018.

## New suppliers screened using social and environmental criteria (%) | 308-1 | 414-1 |

	2017	2018	2019	2020	2021
Direct manufacturing	100	100	100	97	99
Indirect services	-	99	98	99	96
<b>Total</b>	<b>-</b>	<b>99</b>	<b>99</b>	<b>98</b>	<b>97</b>

## Step 1 – supplier agreement to comply with RBA code or equivalent<sup>(1,2)</sup>

	2017	2018	2019	2020	2021
<b>Direct procurement</b>					
Material suppliers	94	89	79	82	102
Back-end subcontractors	28	25	26	27	23
Front-end subcontractors	5	12	7	6	10
<b>Indirect procurement</b>					
Equipment/spare-parts suppliers	74	66	68	54	55
Local suppliers	177	158	209	135	135
Labor agencies	57	36	31	16	14
<b>Total</b>	<b>435</b>	<b>386</b>	<b>420</b>	<b>320</b>	<b>339</b>

<sup>(1)</sup> For the number of eligible suppliers see the table 'Number of suppliers and facilities at risk for sustainability'.

<sup>(2)</sup> Number of suppliers who have signed a commitment to the current version of the RBA code of conduct or equivalent, and accept to complete assessments and audits.

## Step 2 – supplier CSR self-assessment questionnaires<sup>(1,2)</sup>(SAQ)

	2017	2018	2019	2020	2021
<b>Direct procurement</b>					
Material suppliers	205	215	197	214	257
Back-end subcontractors	39	43	34	34	44
Front-end subcontractors	14	17	16	14	20
<b>Indirect procurement</b>					
Equipment/spare-parts suppliers	51	74	82	70	82
Local suppliers	86	92	71	91	24
Labor agencies	18	18	11	8	7
<b>Total</b>	<b>413</b>	<b>459</b>	<b>411</b>	<b>431</b>	<b>434</b>

<sup>(1)</sup> For the number of eligible facilities see the table 'Number of suppliers and facilities at risk for sustainability'.

<sup>(2)</sup> Completed at facility level.

### Step 3 – supplier CSR audits<sup>(1,2,3)</sup>

	2017	2018	2019	2020	2021
<b>Direct procurement</b>					
Material suppliers	1	4	5	12	21
Back-end subcontractors	6	3	9	4	14
Front-end subcontractors	2	7	3	6	3
<b>Indirect procurement</b>					
Equipment/spare-parts suppliers	0	1	0	5	5
Local suppliers	58	26	28	64	24
Labor agencies	8	0	4	2	12
<b>Total</b>	<b>75</b>	<b>41</b>	<b>49</b>	<b>93</b>	<b>79</b>

<sup>(1)</sup> For the number of eligible facilities see the table 'Number of suppliers and facilities at risk for sustainability'.

<sup>(2)</sup> Completed at facility level.

<sup>(3)</sup> RBA audits are valid for 2 years.

### Supplier facilities average RBA SAQ score<sup>(1)</sup> (%)

	2017	2018	2019	2020	2021
Health and Safety section	90.7	90.7	90.3	89.6	89.4
Environment section	88.4	88.0	88.6	85.8	84.4
Labor section	92.2	91.1	91.7	91.7	90.9
Ethics section	93.6	93.1	94.0	93.4	91.3
<b>Overall average</b>	<b>91.2</b>	<b>90.5</b>	<b>91.0</b>	<b>90.1</b>	<b>89.1</b>

<sup>(1)</sup> Key suppliers' facilities (material, equipment/spare-parts suppliers, subcontractors).

### Average number of findings per supplier audit

	2020	2021
<b>Direct procurement</b>		
Priority non-conformances	0.23	0.18
Major non-conformances	3.50	4.84
Closure rate <sup>(1)</sup>	-	40%
<b>Indirect procurement</b>		
Priority non-conformances	0.06	0.22
Major non-conformances	1.56	3.54
Closure rate <sup>(1)</sup>	-	83%

<sup>(1)</sup> Percentage of priority and major non-conformances closed during the year.

### Recruitment fees reimbursed to workers by suppliers

	2020	2021
Total amount of fees paid back (US\$)	29,852	137,651
Number of impacted workers	22	42
Number of suppliers involved	3	4

### Supplier RBA training in 2021

	2021
Number of suppliers trained <sup>(1)</sup> on RBA standard	201

<sup>(1)</sup> Suppliers may have trained more than one person.

### Suppliers terminated as a result of a negative social or environmental impact | 308-2 | 414-2 | SDG 8.7

	2017	2018	2019	2020	2021
Number of suppliers	1 <sup>(1)</sup>	2 <sup>(2)</sup>	1 <sup>(3)</sup>	1 <sup>(4)</sup>	1 <sup>(5)</sup>

<sup>(1)</sup> Recruiting conditions in cleaning services in Kirkop site (Malta).

<sup>(2)</sup> Recruitment fees and detention of employee passports in a cleaning service supplier; and recruitment fees and levy deduction with a security service supplier in Muar site (Malaysia).

<sup>(3)</sup> Legal requirement concerning social contributions not respected by a cleaning services company in Tunis site (Tunisia).

<sup>(4)</sup> Contract not renewed with a security service supplier in Bouskoura (Morocco) due to excessive working hours.

<sup>(5)</sup> Non-payment of social security contributions for its employees in Marcanise site (Italy).

### Conflict minerals inquiry results 2021 SDG 8.7

	Gold	Tantalum	Tin	Tungsten
Number of smelters	63	33	54	39
Smelters which are RMAP <sup>(1)</sup> validated (%)	100%	100%	98%	100%
Smelters which are active in the RMAP <sup>(1)</sup> but were not RMAP validated as of December 31, 2021 (active smelters) (%)	0%	0%	2%	0%
Active smelters which have declared sourcing from L1/L2 <sup>(2)</sup> countries or recycled or scrap sources <sup>(3)</sup> (%)	0%	0%	2%	0%
Active smelters which have not provided a declaration regarding country or origin of recycled or scrap sources (%)	0%	0%	0%	0%

<sup>(1)</sup> Responsible Minerals Assurance Process (formerly Conflict Free Smelter Program).

<sup>(2)</sup> Level 1 countries are not identified as conflict regions or plausible areas of smuggling or export from the Democratic Republic of the Congo and its nine adjoining countries.  
Level 2 countries are known or plausible countries for smuggling, export out of region or transit of materials containing tantalum, tin, tungsten or gold.

<sup>(3)</sup> Based on information presented by suppliers and subcontractors.

### Community involvement – inputs | 201-1 |

	2017	2018	2019	2020	2021
Number of community involvement initiatives <sup>(1)</sup>	335	374	389	340	520
Total contribution (evaluated in US\$m)	8.2	8.0	7.9	10.4	8.9

<sup>(1)</sup> Multiple activities linked to the same program count as one initiative.

### Geographical spread of community contributions (%)

	2017	2018	2019	2020	2021
Africa	7	10	2	1	2
Americas	1	0	0	0	3
Asia	13	16	11	11	11
Europe	59	57	73	76	69
Worldwide	20	17	14	12	16



## Community contribution<sup>(1)</sup>

	2017	2018	2019	2020	2021
Cash donations (%)	10	15	23	21	15
Staff time volunteering (%)	84	75	66	43	68
In-kind (%)	5	7	9	34	15
Management costs (%)	1	2	2	2	2
Number of employees engaged in volunteering <sup>(2)</sup>	6,712	5,663	6,065	4,231	4,620
Number of hours contributed inside Company time	139,003	124,154	145,498	114,324	138,305

<sup>(1)</sup> The sums may not add up to 100% due to rounding of the figures.

<sup>(2)</sup> Employees are counted for each initiative, so the same employee may be counted several times.

## Reason for community contribution<sup>(1)</sup> (%)

	2017	2018	2019	2020	2021
Community investment	95	97	97	64	96
Charitable donation (gift)	4	3	3	36	4
Commercial initiative	1	0	1	0	0

<sup>(1)</sup> The sums may not add up to 100% due to rounding of the figures.

## Community involvement – outcomes

	2017	2018	2019	2020	2021
Number of beneficiary organizations	1,722	1,384	1,856	2,938	3,111
Number of direct beneficiaries	105,117	103,703	117,136	163,497	132,004

## Direct beneficiary groups (%)

	2017	2018	2019	2020	2021
Children/Teenagers	4	8	9	3	6
Students/Scientific communities	81	79	77	53	82
Affected by natural/man made disaster <sup>(1)</sup>	-	-	-	32	3
Local population	10	8	8	7	7
Senior/Elderly people	-	-	1	4	0
Others <sup>(2)</sup>	4	4	3	2	2

<sup>(1)</sup> Mainly linked to COVID-19 pandemic.

<sup>(2)</sup> Includes people on low incomes/unemployed, people with poor health, migrants and disabled people.