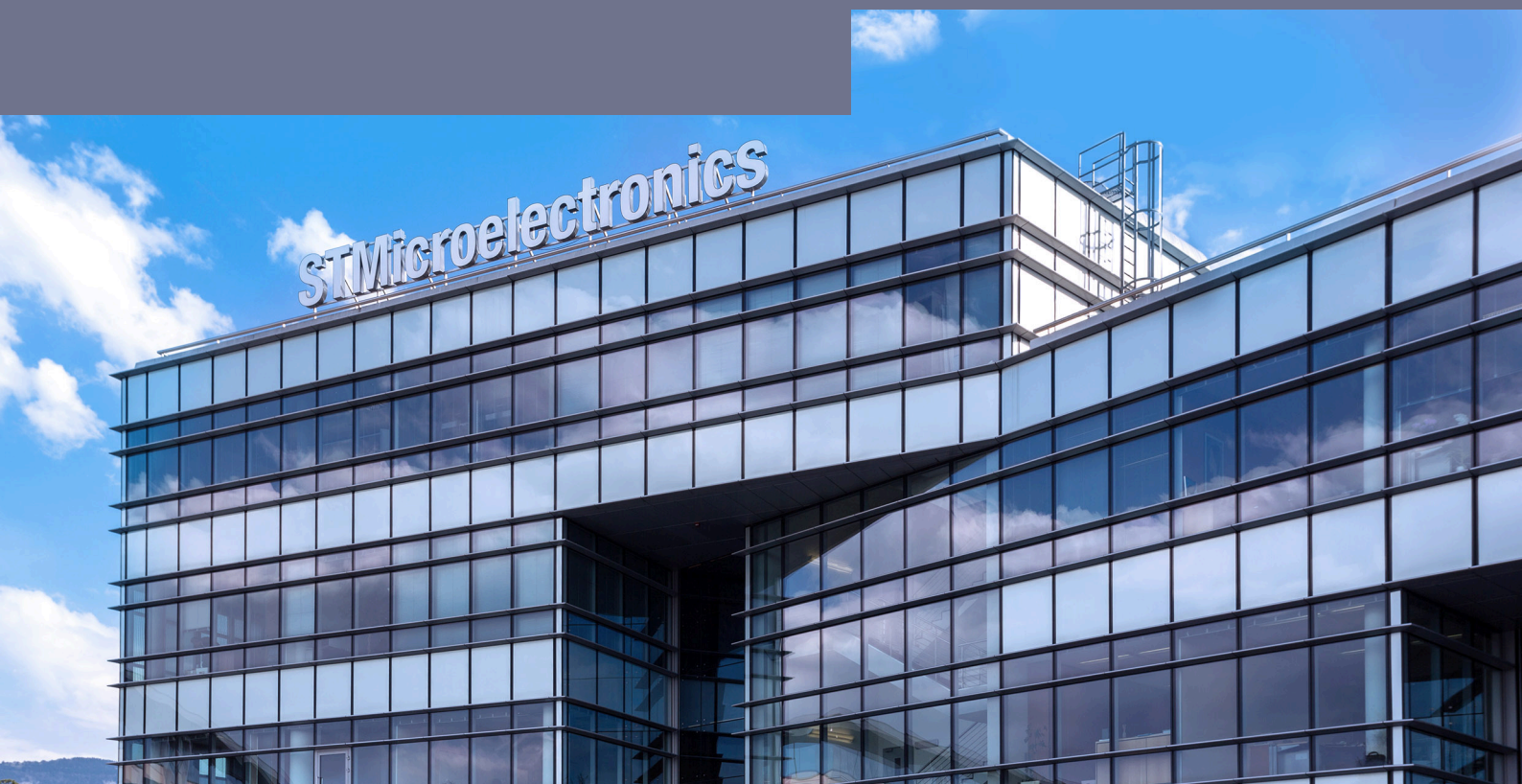


# Living our values



# Governance



ST headquarters, Geneva, Switzerland

ST's parent company, STMicroelectronics NV, is registered in the Netherlands and is listed on the New York Stock Exchange (NYSE), Euronext Paris, and Borsa Italiana, Milan.

Our headquarters and operational offices are managed through our wholly owned subsidiary, STMicroelectronics International NV, located in Plan-les-Ouates, near Geneva, Switzerland. Our operations are also conducted through our various subsidiaries. These are organized and operated according to the laws of their countries of incorporation and consolidated by STMicroelectronics NV. | [102-5](#) | [102-45](#) |

We have a two-tier governance structure, in accordance with Dutch law, where our management is entrusted to our Managing Board under the supervision of our Supervisory Board.

Our corporate governance policies and practices are outlined in our Corporate Governance Charter, Supervisory Board Charter, and Managing Board and Executive Committee Charter. These are available in the corporate governance section of our website (see [investors.st.com](https://investors.st.com) [🔗](#)).

## Supervisory Board


Our Supervisory Board supervises the policies pursued by the Managing Board and the general course of affairs and business of ST. It also supports the Managing Board with its advice. | [102-18](#) |

Our Supervisory Board comprises nine members (four women and five men), each appointed at our Annual General Meeting of Shareholders. Supervisory Board members are carefully selected in accordance with the Supervisory Board Charter and Profile, which are available in the corporate governance section of our website (see [investors.st.com](https://investors.st.com) [🔗](#)).



Our Supervisory Board is assisted in its duties by five standing committees. These are independent from the Managing Board and senior management:

- Audit Committee
- Strategic Committee
- Compensation Committee
- Nomination and Corporate Governance Committee
- Sustainability Committee (established in 2022)

Our Supervisory Board met 11 times in 2021, with an average attendance rate of 87%. Full details of attendance at meetings of the Supervisory Board and its committees are shown in our annual report on Form 20-F, and in our statutory annual report, both of which are available on our website (see [investors.st.com](https://investors.st.com) ).

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44%

women on our  
Supervisory Board

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**Janet G. Davidson**

Member of ST Supervisory Board  
Chair of the Sustainability Committee

*ST designs, manufactures, and delivers products in a way that not only considers the needs of future generations in terms of the environment and quality of life, but that also enables people to thrive and flourish in a smarter, greener and safer society."*

## Managing Board

Our President and CEO, Jean-Marc Chery, is the sole member of our Managing Board. An Executive Committee acts under the authority and responsibility of the Managing Board, and in this respect manages the Company. Jean-Marc Chery also chairs our Executive Committee.

The other members of the Executive Committee are (as of January 1, 2022):

- Orio Bellezza, President, Technology, Manufacturing, Quality and Supply Chain
- Marco Cassis, President, Analog, MEMS and Sensors Group, Head of STMicroelectronics' Strategy, System Research and Applications, Innovation Office
- Rajita D'Souza, President, Human Resources and Corporate Social Responsibility
- Remi El-Ouazzane, President, Microcontrollers and Digital ICs Group
- Lorenzo Grandi, President, Finance, Purchasing, ERM and Resilience, Chief Financial Officer
- Marco Monti, President, Automotive and Discrete Group
- Steven Rose, President, Legal Counsel
- Jerome Roux, President, Sales and Marketing

Their biographies can be found in the 'About ST' section of our website (see [www.st.com](https://www.st.com) .

## Corporate Audit

Corporate Audit is strictly independent from corporate and local management. Its primary objective is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

Franck Freymond, Executive Vice President, Chief Audit and Risk Executive, is the head of Corporate Audit. He reports directly to the Audit Committee of our Supervisory Board and attends quarterly meetings with the Audit Committee and executive management.

Current functional reporting lines and practices ensure he has the appropriate level of organizational independence and unrestricted access to executive management and the Supervisory Board.

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## Independent audit

### function

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The internal audit process is based on a formal and structured audit methodology, which ensures a risk-based approach. Corporate Audit activities are coordinated with other risk assurance functions within the Company, allowing effective risk coverage.

Corporate Audit performs its activities in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors.

## Sustainability governance

Our President and CEO regularly updates our Supervisory Board on our sustainability roadmap, risks and opportunities, including climate-related risks, as well as our sustainability strategy and performance.

At the end of 2021, our Supervisory Board decided to create a dedicated Sustainability Committee (see [investors.st.com](https://investors.st.com) [🔗](#)) to support and advise on its responsibilities regarding sustainability. The committee has five members and will be operational in 2022.

Responsibility for sustainability lies with Rajita D'Souza, President, Human Resources and Corporate Social Responsibility, who chairs our Executive Sustainability Council. Strategic sustainability updates and performance are reviewed by our President and CEO at quarterly Executive Committee meetings.

Our Executive Sustainability Council validates our sustainability strategy and ensures the means are in place for each organization and site to deploy the relevant corporate programs. The Council comprises 14 Vice Presidents, representing Human Resources and Sustainability; Compliance, Ethics and Privacy; Sales and Marketing; Purchasing; Investor Relations; Front- and Back-end Manufacturing; Product Groups; Risk Management; Internal and External Communications; and Quality.

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## Sustainability Council

**comprising 14 Vice  
Presidents**

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The Corporate Sustainability department is responsible for developing our sustainability strategy and programs. It is supported by a network of over 100 local sustainability champions who manage the programs and monitor our performance across all sites and organizations. [I 102-18 I](#)

ST has been a signatory to the United Nations Global Compact since 2000 and a member of the Responsible Business Alliance since 2005. [I 102-13 I](#)

# Ethics and Compliance



Putting respect, accountability, and integrity at the core of our decision-making process is vital to support our ambition, create value and earn the trust of our stakeholders. These values are some of our most important assets and an integral part of our long-term strategy. | 102-16 |

Our vision speaks for itself: we want to be everywhere microelectronics brings a positive contribution to people's lives. We must reflect this in everything we do. We believe ethics and compliance are everyone's job and responsibility, and that conducting our business with the highest ethical standards is critical to our long-term success.

## Code of Conduct

Our Code of Conduct is all about our values, which are shared throughout the Company. It sets clear expectations for our employees and other stakeholders, helps to foster a culture of integrity, and provides practical guidance on the way we conduct our business and make our decisions.

- **Integrity:** we conduct our business with the highest ethical standards, honor our commitments, and keep our promises; we are loyal and fair and stand up for what is right.
- **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; every one of us is committed and personally involved in the continuous improvement process.
- **Excellence:** we strive for quality and customer satisfaction and create value for all our partners; we are flexible, encourage innovation, develop our competencies, seek responsibility and are accountable for our actions; we act with discipline, base our decisions on facts, and focus on the priorities.



Our Code of Conduct is distributed to all our employees, including newcomers. It is available in 10 languages on our website (see [www.st.com/code\\_of\\_conduct](http://www.st.com/code_of_conduct) ), our intranet and our ST Integrity app.



**Philippe Dereeper**

Chief Compliance Officer & Executive Secretary of the Supervisory Board

*Integrity, respect, transparency and accountability are ethical standards that must never be compromised."*

## Yearly declaration

This year, again, we successfully ran a worldwide campaign asking all eligible employees to sign and confirm our business ethics declaration, in line with the values and principles described in our Code of Conduct. Employees who have not completed their yearly declaration are contacted to find out why.

**97%**

**of eligible employees signed our Code of Conduct**

## E-signature of Code of Conduct<sup>(1)</sup> (%)

2017	2018	2019	2020	2021
97	97	98	99	97

<sup>(1)</sup> Percentage of eligible employees (all employees in the exempt category).

## Communication, awareness, and training

The pandemic caused us to reflect on our means of communication and training. In 2021, we updated our training to include formats that ensure a high quality of distance learning and excellent user experience. We developed four new interactive e-learning programs:

- anti-bribery and corruption
- conflict of interest
- anti-harassment and discrimination
- insider trading

Divided into 24 five-minute modules, these new programs enable users to take an active role in their training through practical cases and quizzes. Accessible via our training platform, they are available in 10 languages and include a glossary and quick access to useful resources. Our ambition is to provide the best e-learning experience possible to all ST employees across the globe.

## Building Trust Together

Overall, our training and e-learning programs were taken by more than 17,000 employees in 2021. As well as e-learning, our team also identified and trained more than 2,000 targeted employees on specific topics based on their role, responsibilities, and associated risk exposure.

Our Compliance, Ethics and Privacy multi-channel communication and awareness strategy continued in 2021, via our intranet pages (generating more than 70,000 views), through our mobile application ST Integrity, and through a newly launched 'Building Trust Together' Yammer community, as well as an on-site poster campaign.

In addition, we participated in the 2021 Distribution and Sales Convention for Asia Pacific, with more than 900 business partners in attendance physically and virtually. We also organized a web conference in France on International Anti-Corruption Day, with more than 800 employees logging into this hour-long web event.

## Privacy

We respect the privacy of our stakeholders, including our employees, in the way we collect and use their personal data.


During 2021, we updated our privacy policy, and drafted and implemented a standard operating procedure covering the processing of employees' personal data. We also published several articles on the protection of personal data on our intranet, as well as procedures to be applied when hiring suppliers whose services require the processing of personal data, or when collecting and processing contact information of individuals interacting with ST via our websites or conferences. Reflecting the increased awareness around data usage and privacy in society as a whole, we processed over 200 data subject access requests.

We did not receive any complaints on privacy breaches during 2021.

## Bribery and corruption

We have a zero-tolerance approach towards any forms of bribery and corruption, regardless of the identity or position of the originator or recipient of the bribe. It is also strictly forbidden for anybody in ST to use Company funds or assets to make a political contribution.

This applies to all our employees, organizations and third parties acting on behalf of ST and all transactions in any country where we operate and do (or seek to do) business. Any violation will be deemed a serious violation of our Code of Conduct and lead to disciplinary action, including termination of the relationship with ST.

Our Anti-Bribery and Corruption policy (see [investors.st.com/highlights](https://investors.st.com/highlights) ) provides clear definitions regarding instances of bribery and corruption and includes detailed descriptions of the Company's rules for engaging with third parties. It also explains how to report actual or suspected violations, and outlines the potential disciplinary actions and legal consequences of any non-compliance.

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**Zero-  
tolerance**

**towards bribery and  
corruption**

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## Speak up and misconduct reporting

We encourage everyone, including external business partners, to express any concerns they might have regarding possible violations of our Code of Conduct, our policies, or the law. Managers are accountable for maintaining a working atmosphere where employees are comfortable speaking up and expressing their concerns freely. All concerns raised are taken seriously.

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**Speak up!**  
**culture**

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[www.st.com](https://www.st.com) ) , and our ST Integrity app. It can be used by any employee, business partner or stakeholder.

Our misconduct reporting process is communicated to all employees through, among other things, our Code of Conduct, dedicated intranet web pages and our ST Integrity app. In addition to internal local and corporate reporting channels, we have an independent multilingual misconduct reporting hotline. A link to our hotline is accessible on our intranet, our website (see

We apply the highest standards of confidentiality in handling all reports received, either through local management or through the hotline. We ensure that no employee who reports a concern in good faith suffers retaliation in the form of harassment, or adverse employment or career consequences.



## Misconduct reporting

	2021 <sup>(1)</sup>
<b>Number of incidents under review as of January 1<sup>st</sup></b>	<b>7</b>
<b>Number of incidents reported or identified during the year</b>	<b>73</b>
Asset misappropriation	9
Bribery & corruption (including conflict of interest)	12
Harassment & discrimination	42
Other	17
<b>Incidents closed after a preliminary assessment or formal investigation</b>	<b>73</b>
Number of confirmed external misconduct cases	1
which led to terminating or not renewing contracts with business partners	0
Number of confirmed internal misconduct cases	23
which led to employees being dismissed or disciplined	22
<b>Incidents still open at year end</b>	<b>7</b>
<b>Number of public legal cases regarding corruption brought against ST or its employees</b>	<b>0</b>

<sup>(1)</sup> In 2021, we included locally reported cases, in addition to cases reported at corporate level.

## Ethics committees

The purpose of our Corporate Ethics Committee is to support ST management in its efforts to foster a consistent ethical culture across all regions, functions, and organizations. Formed in 2007 and chaired by our Chief Compliance Officer, Philippe Dereeper, the committee comprises senior managers representing various ST organizations, appointed for three-year terms by our President and Chief Executive Officer. It met three times in 2021.

5

ethics committees

The role of the Corporate Ethics Committee includes:

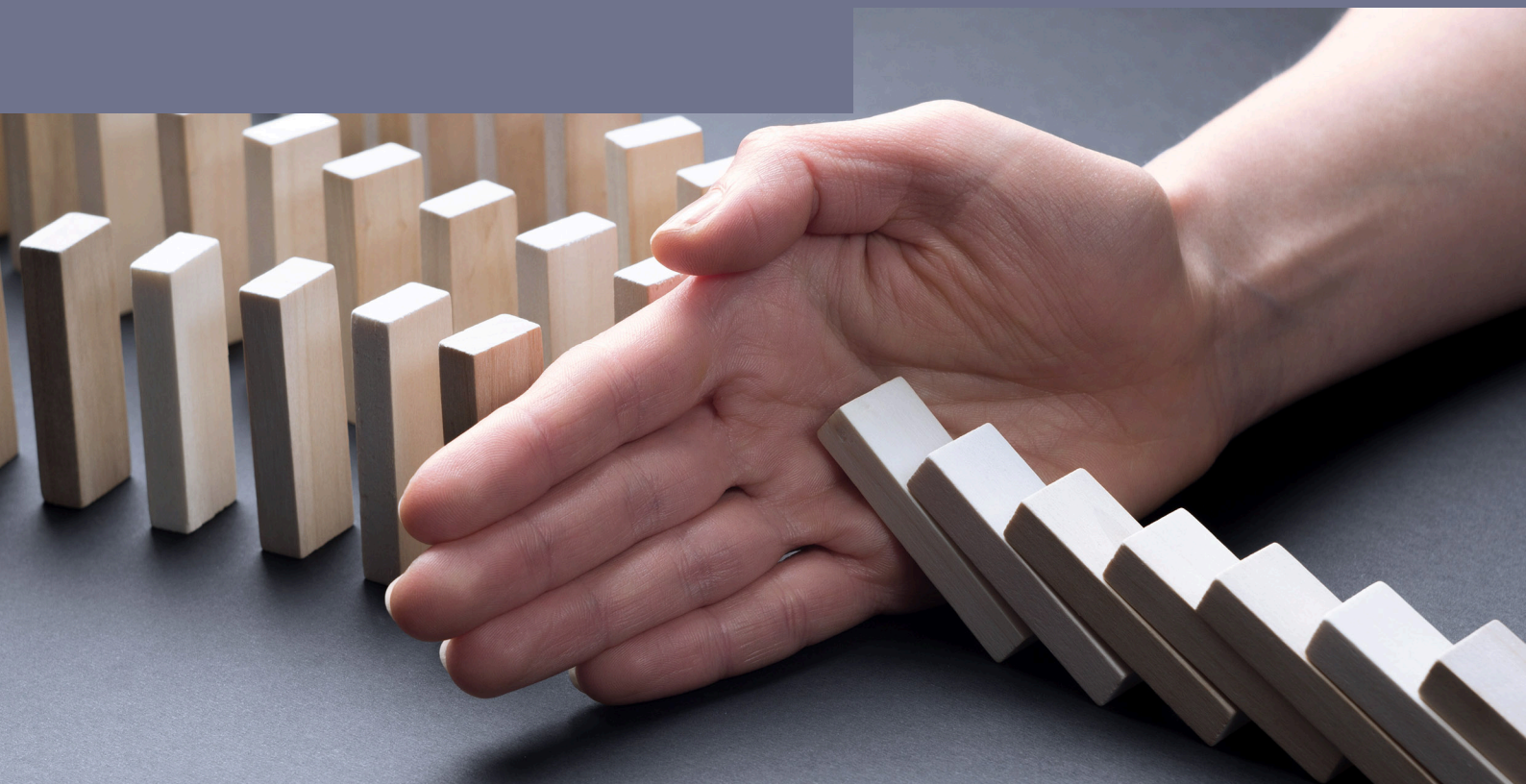
- evaluating the principles in our Code of Conduct, with reference to our culture and commitment to business ethics
- reviewing the main ethical breaches, allegations, and related investigations
- providing guidance on ethical dilemmas that may be faced by the Company, upon request from the Managing Board or the Chief Compliance Officer
- promoting and coordinating the activities of our four local ethics committees in France, Italy, Asia Pacific and the Americas

Our four local committees contribute to this mission within their respective geographical areas. Their activities are complementary to the Corporate Ethics Committee, with which they are in regular communication.


Annual sustainability goal	Status	Comments
SG17: Ensure every year that 100% of our employees have access to and are aware of our ethics and compliance support line.	✗	100% have access Estimate 92% are aware
SG18: Ensure every year that 100% of exempt employees sign an agreement to comply with our Code of Conduct and related procedures.	✗	97%



# Risk Management



## Our tailored enterprise risk management approach

As a company operating globally in the semiconductor market, we are exposed to risks of increased volatility, uncertainty, and complexity, particularly in the current environment. For a description of ST's risk factors, please refer to the relevant section in our 2021 annual report Form 20-F and our 2021 Statutory Annual Report including IFRS financial statements, available on [investors.st.com](https://investors.st.com) .

Our embedded approach to enterprise risk management (ERM) is formalized in a specific policy and is aligned with ISO 31000. It enables us to:

- set and enable our Company strategy, manage our performance, and capitalize on opportunities
- systematically identify, evaluate and treat specific risk scenarios

Our ERM improvement roadmap includes deploying our risk framework that:

- considers the interests of our stakeholders
- addresses uncertainty explicitly
- is pragmatic and tailored to ST
- is an integral part of ST processes and decision-making
- is proactive, structured, dynamic, iterative and responsive to change
- is based on the best available information

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**ERM process aligned  
with**

**ISO 31000**

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Our risk framework is described in the following chart.

ST's ERM framework	
Governance, organization and culture	• Risk oversight and governance
	• Risk culture
	• Risk appetite
	• Risk functions and communities
Managing risk and opportunity	• Response to and monitoring of risk and opportunity (enabling strategy and performance)
Risk enablers	• Risk reference documentation (policies and procedures)
	• Risk processes (definition and methodologies)
	• Risk tools

Our risk approach is managed by our Chief Audit and Risk Executive under the direct responsibility of our Managing Board and the oversight of our Supervisory Board. The content of this oversight role is detailed in our Supervisory Board Charter.

Our risk governance is described in the following chart:



## Managing risk according to our risk appetite strategy

Risk management activities are governed by our risk appetite strategy, which is discussed annually at Supervisory Board and Audit Committee levels.

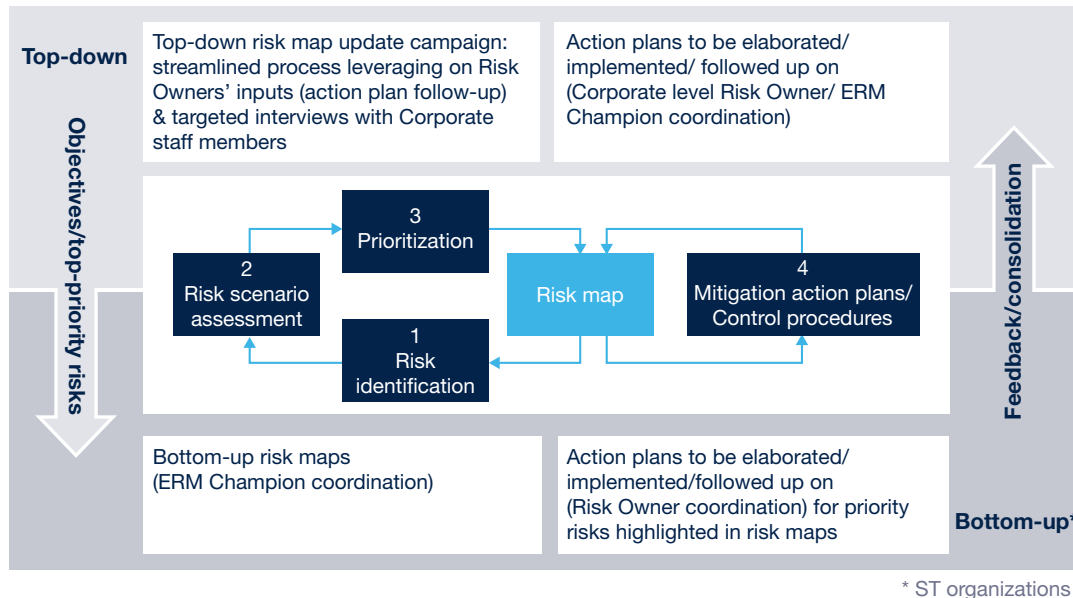
We determine the amount of risk we are willing to pursue or retain, depending on the expected rewards, opportunities, and costs.

Our risk appetite depends on the nature of risks. As an illustration, through well-designed and effective internal controls we strive to eliminate or mitigate the following risk categories to the lowest possible level:

- corporate governance
- product quality
- operations resilience (internal events)

- protection of intellectual property and other sensitive information
- people, health and safety
- adherence to our Code of Conduct and compliance with applicable laws and regulations
- protection against cyber threats

The embedded ERM process takes a holistic view, combining both Company-wide ‘top-down’ and ‘bottom-up’ perspectives, to ensure that specific risk scenarios are addressed at the right level.



During 2021, we refreshed our Company risk assessment with Executive Management. The output from this exercise was a risk map linked to our strategic objectives, including 12 ‘priority 1’ risk areas.

12

‘priority 1’ risk areas

Risk owners (members of senior management) were appointed for each priority risk area to develop risk response plans, adapt to changing external conditions and enhance monitoring capabilities. The risk response plans are regularly reviewed by the Executive Committee and discussed periodically with the Supervisory Board and Audit Committee.

Each organizational unit throughout the Company completes its own risk assessment. This includes Marketing and Sales regions, Product Groups, Manufacturing and Technology, and corporate functions, as well as large transformation initiatives.

## Continuously improving our resilience

We have extended our risk approach to encompass a dedicated Resilience Management System (RMS), including both business continuity and crisis management, addressing the following dimensions:

- continuity of major sites
- manufacturing flexibility across internal and/or external sites
- continuity of full supply chain, including third parties
- managing business continuity and crisis communication to clients and other stakeholders
- improving Company-wide capability to respond to crises

In 2021, as per our multi-year improvement roadmap, we further embedded the RMS in our main sites and selected organizational units, leveraging our ‘Corporate Resilience Competence Center’ and a global network of ‘Resilience Champions’. We deployed a number of incremental improvements to our RMS, including a refreshed procedural framework, and fully aligned methodologies and toolkits across ERM, resilience, business continuity and crisis management. It provides a consistent methodology to address potential business disruptions to our resources, such as:



- site unavailability
- people unavailability
- IT system disruptions, such as cyber-attacks
- critical sourcing and logistics/transportation disruptions

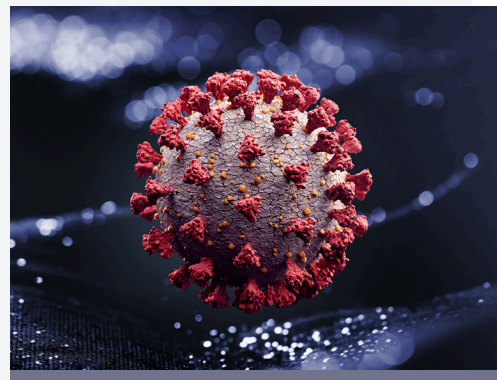
As such, we address scenarios that may affect our supply chain and operations, enabling us to continuously improve our continuity plans. Such scenarios include:

- pandemics
- natural hazards (such as earthquakes, floods, snowstorms, volcanic eruptions or tsunamis)
- industrial accidents (such as fires and explosions)
- facilities and energy interruptions
- major impacts related to human activities (such as geo-political tensions, conflicts, terrorism or strikes)

## FOCUS

### FACING THE PANDEMIC

Throughout 2021, our Corporate Crisis Team (CCT), directly reporting to ST's Executive Committee, has continued to orchestrate our global response to the COVID-19 pandemic, driving our network of crisis teams at regional, country and site levels to address the complexity of local conditions. We have consistently maintained our focus on two overarching priorities:



- first, maximizing measures to prevent infection, and supporting our employees and their families
- second, executing our business continuity plans, actively managing the situation across our whole supply chain, working closely with our customers, suppliers and partners

In 2020, we conducted an initial exercise to learn from the early phases of the pandemic. This led to several improvements in our crisis management set-up for 2021 and enabled us to adapt to ongoing developments. In 2021, we conducted a second review, driving further improvements.

The CCT continues to coordinate our response across all relevant areas, including:

- monitoring international developments
- global travel and health and safety management (including psychological support)
- monitoring the ST-specific situation and the deployment of measures in ST regions/sites
- monitoring our business, supply chain and manufacturing
- internal and external communications
- support function continuity management



## Franck Freymond

Executive Vice President, Chief Audit and Risk  
Executive

*In 2021, the COVID-19 pandemic created a fast-moving risk environment that varied according to location. This was largely due to differences in public health policies, in particular the speed and extent of public vaccination campaigns. We faced multiple challenges requiring the continuous mobilization of our management and our dedicated crisis teams to continue to provide our people with a safe working environment and maintain business continuity. This second year of the pandemic highlighted our overall resilience in highly volatile conditions requiring constant adaptation."*

In 2021, we developed and rolled out an ST-specific methodology underpinning a global dashboard: a range of relevant indicators based on internal or external standards, covering dimensions such as exposure to natural hazards, loss prevention characteristics, facilities robustness, equipment modernization and redundancy, IT infrastructure quality, and cyber protection. For major sites, these indicators are compiled in a Site Resilience Index (SRI), which is updated and improved on a quarterly basis. Annually, site management teams prepare and update a Site Improvement Plan accordingly.

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**ISO 22301**  
**certified**

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ST has been ISO 22301 certified since 2016. Throughout 2021, our continuous improvements have been subject to surveillance audits from the certification body, and internal audits. Recertification audits are scheduled to take place in 2022.

## Sustainability risks

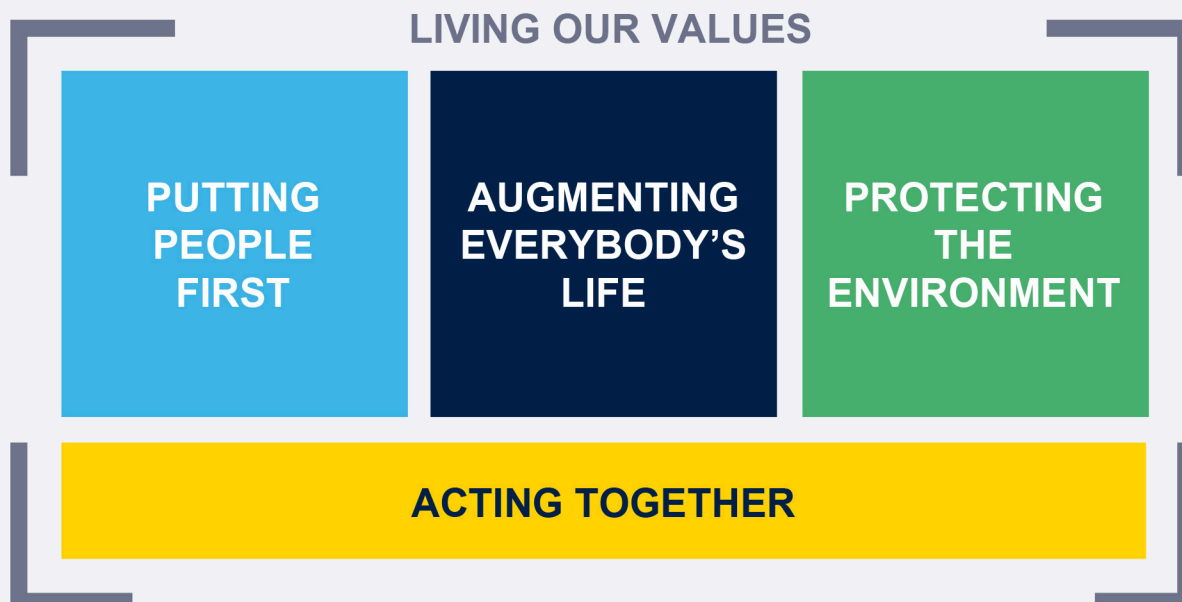
The identification of our priority sustainability topics is formalized through a regular multi-stakeholder materiality exercise (see [Sustainability strategy](#)). Company-level sustainability risk scenarios are then addressed as part of our ERM program in a cross-functional manner.

Specific activities conducted include:

- defining policies that embed risk mitigation strategies with concrete actions
- adopting reference standards such as ISO 45001 for safety, and ISO 14001 for the environment
- monitoring labor conditions and correcting deviations in our own operations according to the Responsible Business Alliance (RBA) standards for corporate social responsibility (see [Labor and Human rights](#))
- specifically addressing climate and water-related risks (see [Energy and Climate Change](#) and [Water](#))
- providing stewardship to our supply chain through the adoption of the RBA standard and an environmental and social due diligence process that considers potential adverse impacts
- conducting a specific annual risk assessment of our tier 1 suppliers focusing on labor and human rights, environment, health and safety, and ethics (see [Responsible Supply Chain](#))

By identifying these risks and mitigating them through dedicated programs, we can reduce our environmental and social footprint and find new opportunities to create positive value for our Company and our stakeholders.

# Sustainability strategy




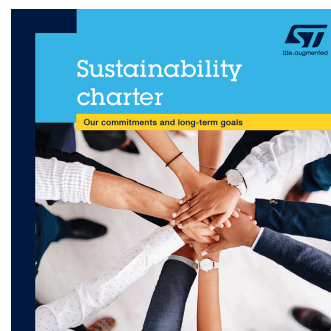
Sustainability has been embedded in our business model and culture for over 25 years. It is integrated in our activities across the whole organization and beyond, as we consider our impact, positive or negative, on our stakeholders, society, and the planet. Providing transparency and clarity to all our stakeholders is a key component of our sustainability strategy and this year, we are publishing our 25<sup>th</sup> sustainability report.

## Our commitment and goals

Sustainability at ST means:

- creating technology that enables our customers to create sustainable solutions to improve people's lives
- prioritizing people and the planet, minimizing our overall footprint
- creating long-term value for stakeholders, shareholders, and partners

Our guiding principles and our sustainability goals for 2021–2027 are described in our sustainability charter, available on [www.st.com](http://www.st.com) , and endorsed by Jean-Marc Chery, our President and CEO. They apply to all our sites and cover all our processes, from design to production, and from sourcing to disposal of materials. Our sustainability programs and progress towards our sustainability goals are described throughout this report. | 102-46 |





To support our sustainability ambitions, we integrate specific sustainability objectives into the compensation schemes of our senior executives and employees eligible for short-term incentives. These focus on safety, carbon neutrality, gender diversity, employee engagement and external sustainability ratings (see [Talent Attraction and Engagement](#)).

**Sustainability incentives for**  
**19,000**  
**employees**

As part of our plan to accelerate sustainability and involve our stakeholders in our sustainability strategy, we developed a sustainability messaging platform in 2021 and ran workshops to train our top management and communication teams on how to engage with internal and external stakeholders on sustainability topics. These workshops will continue in 2022.

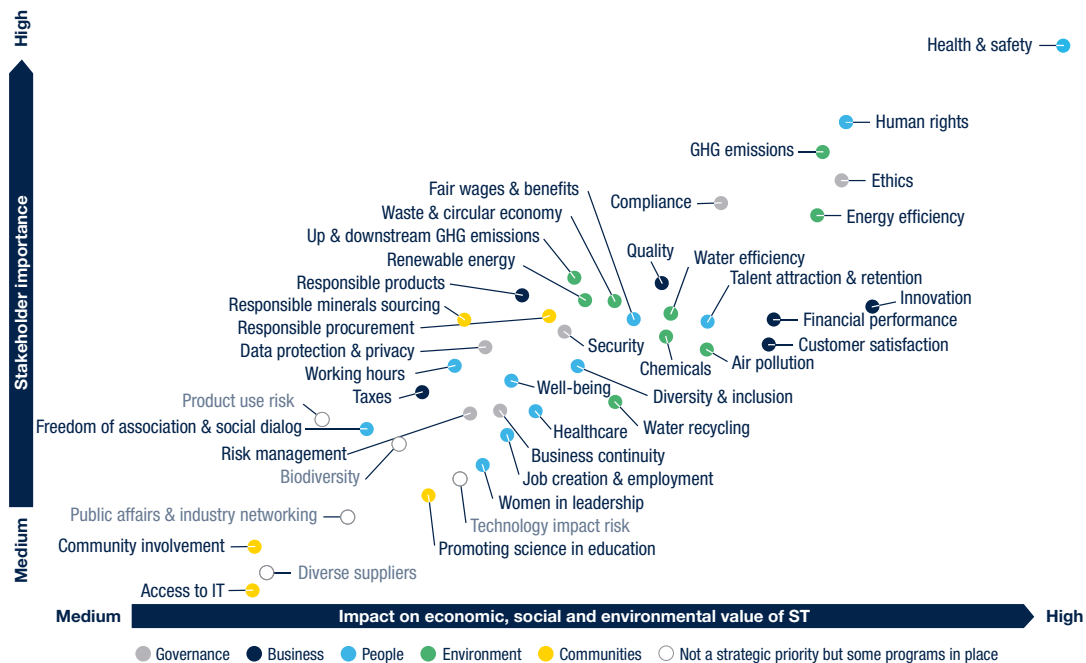
## Focusing on what really matters

42

### material topics

We base our sustainability strategy on preventing negative impacts, seizing opportunities and generating value for all. To ensure we focus on what really matters, we conduct a comprehensive materiality review every three years. We performed our most recent comprehensive materiality exercise in 2020. We analyzed the global sustainability context, emerging topics, and the role of our industry in identifying our material impacts, risks and opportunities. To assess the importance of each topic and its impact on value, we consulted more than 300 stakeholders, as well as our executive management team. | [102-43](#) |

To verify we are still focusing on what is material for ST and our stakeholders, in 2021 we performed a review based on external trends, and gathered feedback from our sustainability experts. The outputs are included in the materiality matrix below. For each material issue, we have long-term goals. | [103-1](#) |



## Interview



**Rajita D'Souza**

President, Human Resources and Corporate Social Responsibility

### **You joined ST at the beginning of 2021. What is your impression of sustainability in ST?**

ST has a longstanding commitment to sustainability and social responsibility that dates back to the 1990s. I was impressed with the level of maturity on these topics and how well they are integrated into the business operations.

Sustainability is a continuous journey. Increasing interest from stakeholders is confirming our strategy, while also creating the conditions for acceleration. How we conduct our business is just as important as what we do, and sustainability must be an integral part of our value proposition. This is reflected in our Sustainability Charter that we released during 2021.

### **What 2021 achievements are you most proud of?**

The health and safety of our employees is a top priority at ST. In 2021, we achieved our best-ever safety performance, with an employee recordable injuries case rate of just 0.12, among the best-in-class. This great performance is the result of many years of work by the environment, health and safety (EHS) teams at our sites all over the world, on preventative actions in particular.

I am also proud of the high level of engagement shown by employees throughout ST, with 85% of employees willing to go the extra mile to help ST meet its goals, and 86% saying they are proud to work for ST.

We are progressing well towards our carbon neutrality goal for 2027, reducing our total greenhouse gas emissions by 34% over the last three years. All our sites are united in this effort – a level of engagement that is reflected in our ST survey results, where 85% of employees agreed that 'My company is taking action to protect the environment'.

Finally, all our sustainability efforts and initiatives have been recognized by the Dow Jones Sustainability Index, with our inclusion in both World and Europe indices.

### **What sustainability trends do you foresee for 2022?**

One of the major trends is an increase in the sustainability regulations that are emerging all over the world, such as the EU taxonomy, the evolution of reporting standards, and due diligence processes. This will level the playing field and help more businesses operate responsibly. It will also increase transparency and allow stakeholders to make more informed decisions.

Every year, we review our materiality based on stakeholder feedback and external trends to anticipate changes and ensure we stay aligned with stakeholder expectations. In 2022, we expect similar trends to recent years, with clear prioritization of health and safety, GHG emissions, and ethics. We see some topics gaining importance, like business continuity, energy efficiency, talent attraction and retention, and responsible products. We will maintain our leadership in these areas and continue our progress towards our long-term public goals, including water recycling, waste recycling, and diversity, equity, and inclusion.

# Stakeholder engagement

Our stakeholders are employees, customers, suppliers, investors, organizations, and other entities that can affect or be affected by our activities and products. Maintaining an open dialog with our stakeholders is essential to understand their interests and expectations. Each site conducts specific actions depending on its activity, size, location and culture, and all ST sites have regular exchanges with major local stakeholders, such as local authorities, schools and universities. To discover more about their perception and relations with ST, the auditor interviewed three stakeholders (education partner, training consultant, material supplier) during the verification process of this report. [102-40](#) | [102-42](#) | [102-43](#) |

Stakeholders	Key expectations	Engagement channels
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>• Health and safety at work</li> <li>• Respecting human rights</li> <li>• Ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Seminars, conferences, forums</li> <li>• VP communication meetings</li> <li>• Recognition, awards, contests</li> <li>• Intranet, internet, news, emails, videos</li> <li>• Training, workshops</li> <li>• Employee surveys</li> <li>• Application week, EHS week</li> </ul>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>• Health and safety at work</li> <li>• Respecting human rights</li> <li>• Greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Trade shows</li> <li>• Conventions, technical seminars</li> <li>• Audits and site visits</li> <li>• Joint seminars, conferences, blog, techdays, workshops, webinars</li> <li>• Meetings</li> </ul>
<b>INVESTORS &amp; ANALYSTS</b>	<ul style="list-style-type: none"> <li>• Health and safety at work</li> <li>• Greenhouse gas emissions</li> <li>• Talent attraction &amp; retention</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Markets Day</li> <li>• Annual reports</li> <li>• Extra-financial questionnaires</li> </ul>
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>• Health and safety at work</li> <li>• Ethics</li> <li>• Respecting human rights</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Audits</li> <li>• Supplier training</li> <li>• Surveys</li> <li>• EHS week</li> <li>• Technical roadshows</li> </ul>
<b>LOCAL PARTNERS</b>	<ul style="list-style-type: none"> <li>• Respecting human rights</li> <li>• Greenhouse gas emissions</li> <li>• Health and safety at work</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships</li> <li>• Conferences, conventions, meetings</li> <li>• Site visits</li> <li>• Donations, training, volunteering, local initiatives</li> </ul>
<b>NATIONAL &amp; LOCAL AUTHORITIES</b>	<ul style="list-style-type: none"> <li>• Ethics</li> <li>• Greenhouse gas emissions</li> <li>• Respecting human rights</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships with municipalities</li> <li>• Meetings, conferences, seminars</li> <li>• Annual reports</li> <li>• Site visits</li> </ul>
<b>ACADEMIC &amp; LABORATORIES</b>	<ul style="list-style-type: none"> <li>• Ethics</li> <li>• Respecting human rights</li> <li>• Product and technology innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Internships, scholarships, PhDs</li> <li>• Joint R&amp;D projects, joint labs</li> <li>• Conferences, technical seminars</li> <li>• Site visits</li> </ul>
<b>INDUSTRY ASSOCIATIONS</b>	<ul style="list-style-type: none"> <li>• Ethics</li> <li>• Respecting human rights</li> <li>• Renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Memberships in public-private partnerships, international and European associations</li> <li>• Participation in consortiums, in working groups of electronic industry associations</li> <li>• Meetings, conferences, seminars</li> </ul>
<b>MEDIA</b>	<ul style="list-style-type: none"> <li>• Fair wages and benefits</li> <li>• Greenhouse gas emissions</li> <li>• Renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Conferences, conventions, meetings</li> <li>• Press releases</li> </ul>

Key expectations are the top three issues retained by each group of stakeholders in our 2020 materiality exercise. [102-44](#) |



# Contributing to the Sustainable Development Goals

The Sustainable Development Goals (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 are convinced 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 11 goals that are most relevant to our sustainability strategy. Our performance against these SDGs is highlighted throughout this report. | 102-12 |



## 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.

**3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Health and Safety, People indicators

**3.9** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

Waste, Chemicals, Environmental indicators



## Ensure inclusive and quality education for all and promote lifelong learning

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

**4.3** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

Talent Attraction and Engagement, Community and Education, People indicators, Communities indicators



## Achieve gender equality and empower all women and girls

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

**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Diversity, Equity and Inclusion, People indicators



## 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.

**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

**Waste, Chemicals, Environmental indicators**

**6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

**Water, Environmental indicators**

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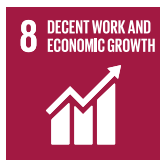
## Ensure access to affordable, reliable, sustainable and modern energy for all

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

**7.3** By 2030, double the global rate of improvement in energy efficiency

**Energy and Climate Change, Environmental indicators**

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## Promote inclusive and sustainable economic growth, employment and decent work for all

- 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.

**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, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms

**Labor and Human Rights, Responsible Supply Chain, Environmental indicators, People indicators**

**8.8** Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

**Health and Safety, Labor and Human Rights, Responsible Supply Chain, Environmental indicators, People indicators**

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## Build resilient infrastructure, promote sustainable industrialization and foster innovation

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

**9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

**Innovation, Business indicators**

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## Reduce inequality within and among countries

- We promote equal opportunities for all.
- Our ambition is to be a leader in cultural and disability inclusion.
- Our ST Foundation is bridging the digital divide.

**10.2** By 2030, 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

[Diversity, Equity and Inclusion](#), [Community and Education](#), [People indicators](#)

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## Ensure sustainable consumption and production patterns

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

**12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

[Chemicals](#), [Environmental indicators](#)

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## Take urgent action to combat climate change and its impacts

- We are committed to being carbon neutral by 2027.
- We deploy programs to reduce our GHG emissions.
- We actively participate in industry initiatives for action on climate change.

**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

[Energy and Climate Change](#), [Environmental indicators](#)

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## Revitalize the global partnership for sustainable development – Multi-stakeholder partnerships

- As a member of the Responsible Business Alliance and other industry associations, we share knowledge and expertise to help achieve the SDGs.

**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

[Labor and Human rights](#)

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