Sustainability at ST

Rajita D'Souza

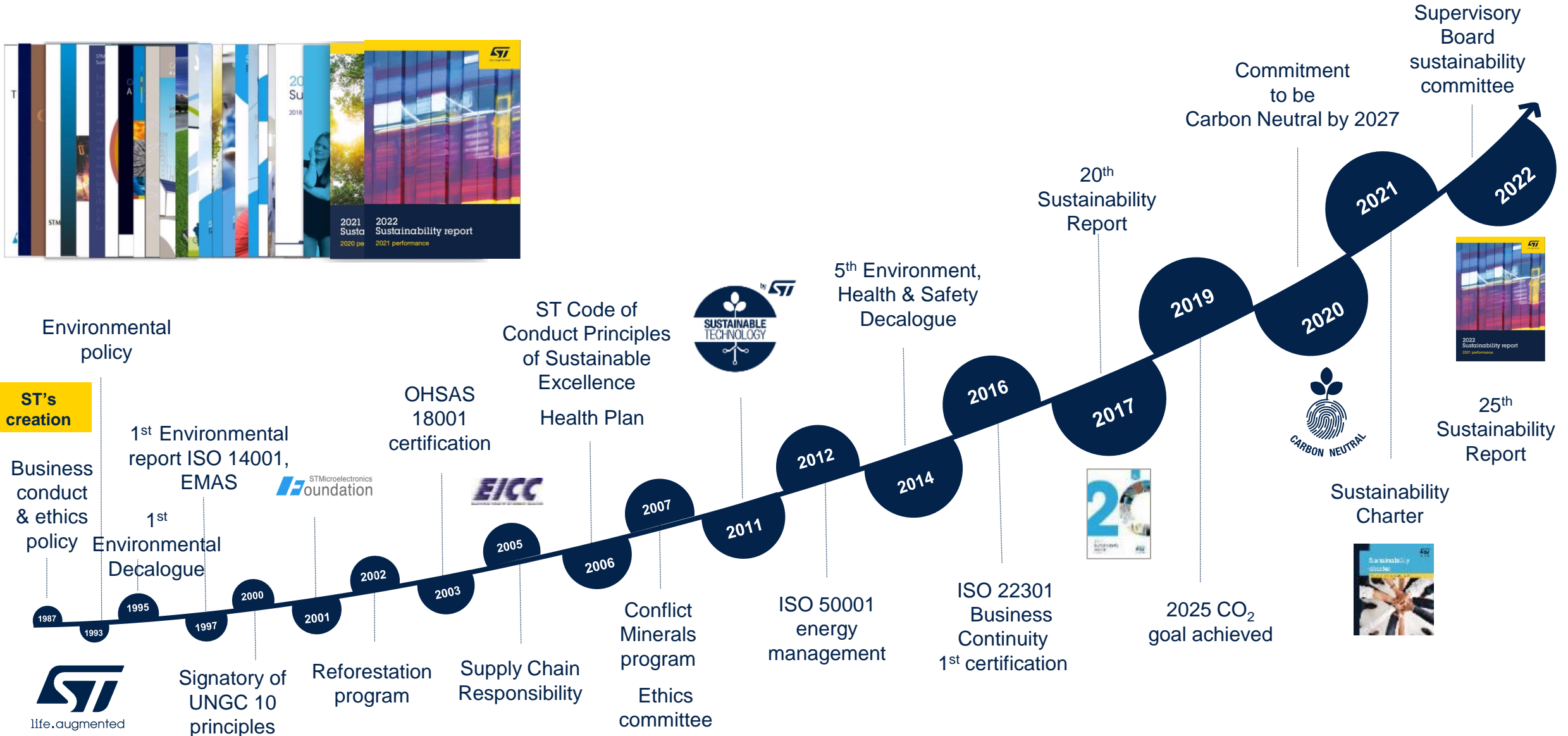President, Human Resources and Corporate Social Responsibility

Our approach to sustainability

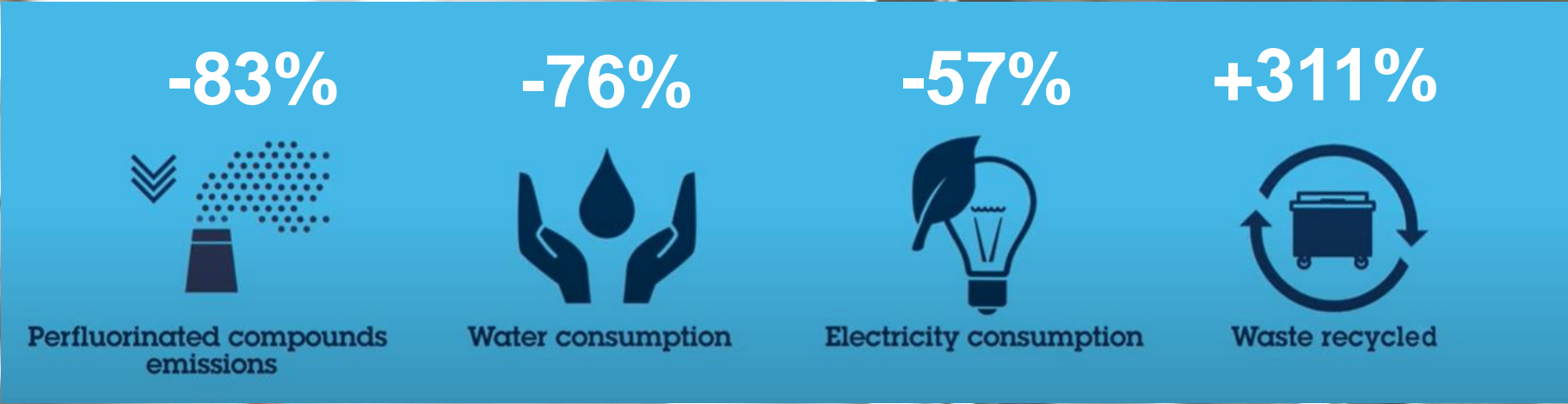We create technology for a sustainable world

We prioritize people and the planet

We generate long-term value for all stakeholders

A long-standing public commitment to sustainability

- **1987** ST's creation
- Environmental policy
- Business conduct & ethics policy
- **1993**
- **1995** 1st Environmental report ISO 14001, EMAS
- 1st Environmental Decalogue
- **1997** Signatory of UNGC 10 principles
- **2000**
- **2001** Reforestation program
- **2002**
- **2003** OHSAS 18001 certification
- **2005** Supply Chain Responsibility
- **2006**
- **2007** ST Code of Conduct Principles of Sustainable Excellence Health Plan
- Conflict Minerals program
- Ethics committee
- **2011** SUSTAINABLE TECHNOLOGY by ST
- **2012** ISO 50001 energy management
- **2014** 5th Environment, Health & Safety Decalogue
- ISO 22301 Business Continuity 1st certification
- **2016**
- **2017** 20th Sustainability Report
- 2025 CO_2 goal achieved
- **2019**
- **2020** Commitment to be Carbon Neutral by 2027
- CARBON NEUTRAL
- Sustainability Charter
- **2021**
- **2022** Supervisory Board sustainability committee
- 25th Sustainability Report

26 years of continuous improvements

-83%
Perfluorinated compounds emissions

-76%
Water consumption

-57%
Electricity consumption

+311%
Waste recycled

Per unit of production from 1994 to 2021

Our business model
# Managing our impacts across the full value chain

Suppliers

We purchase raw materials, equipment, energy, gas, chemicals and services from many suppliers and subcontractors.

Front-end manufacturing

Manufacturing chips requires around 400 separate stages, starting with a plain wafer, and resulting in the etching of several hundreds to thousands of dies.

Back-end manufacturing

The dies are cut from the silicon wafer before being assembled in a package. The chips are then tested prior to delivery to the customer.
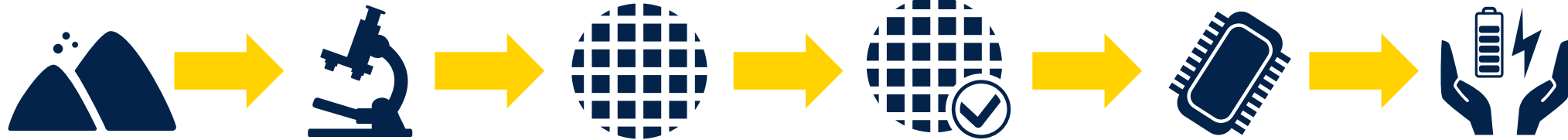
R&D concept and design

New products are created in a multi-step process including architecture conception, electrical layout, electrical and logic simulation, chip layout and generation of the mask that will be used to etch the design in silicon.

Electrical wafer sorting

Dies on the wafer are electrically tested. This step is known as wafer sort or probe.

Product use and end of life

We offer a large portfolio of products suitable for the wide range of applications addressed by our customers.

Contributing to the United Nations Sustainable Development Goals (SDGs)

We create technology for a sustainable world	**Generate at least 20% of our revenues from new product lines by 2025.** **Generate at least 33% of our revenues from our Sustainable Technologies' most advanced responsible products by 2027.**	
We prioritize people	**Reach a Recordable Case Rate of 0.15% or less by 2025 (work-related injuries and illnesses, including contractors).** Maintain our Severity Rate at 2% or less every year (work-related injuries and illnesses, including contractors). **Get 100% of ST manufacturing sites recognized for social responsibility by external international bodies by 2025.** **Engage employees in deploying STEM partnerships in 20 countries by 2025.** Recruit at least 30% women in all exempt positions every year. **Reach at least 20% women in every management level by 2025.**	
We protect the planet	**Be carbon neutral by 2027, including direct, indirect, product transportation, business travel and employee commuting emissions** **Adopt 100% renewable energy sources by 2027 through energy procurement and green energy installations.** Implement programs to reduce energy consumption by at least 150 GWh per year by 2027. **Reduce energy consumption per wafer by 20% in 2025 (vs. 2016).** **Improve our water efficiency by 20% by 2025 vs 2016.** Recycle at least 50% of the water used each year. Ensure an annual landfill waste rate below 3%. **Reuse or recycle 95% of our waste by 2025.**	
We generate long-term value for all stakeholders	Ensure every year that 100% of our employees have access to and are aware of our ethics and compliance support line. Ensure every year that 100% of exempt employees[2] sign an agreement to comply with our Code of Conduct and related procedures. Follow highest standards for 100% of the materials we use: HSPM and responsible sourcing initiatives, such as RMI[3]. **Conduct an annual risk assessment of our supply chain and audit 100% of our high-risk suppliers by 2025.** **Further reduce quality defects by 20% per production unit by 2027 (vs. 2020).** **Achieve an employee engagement rate of at least 10 percentage points above local norms in all major countries by 2025.** Annually report our progress on all our long-term goals, following the most advanced standards. Maintain certification for 100% of manufacturing sites (ISO 14001, ISO 45001, ISO 14064, ISO 50001).	

ESG targets are part of management compensation

Promoting Sustainable corporate development: ESG criteria for both shot-term incentives and long-term incentives for everyone
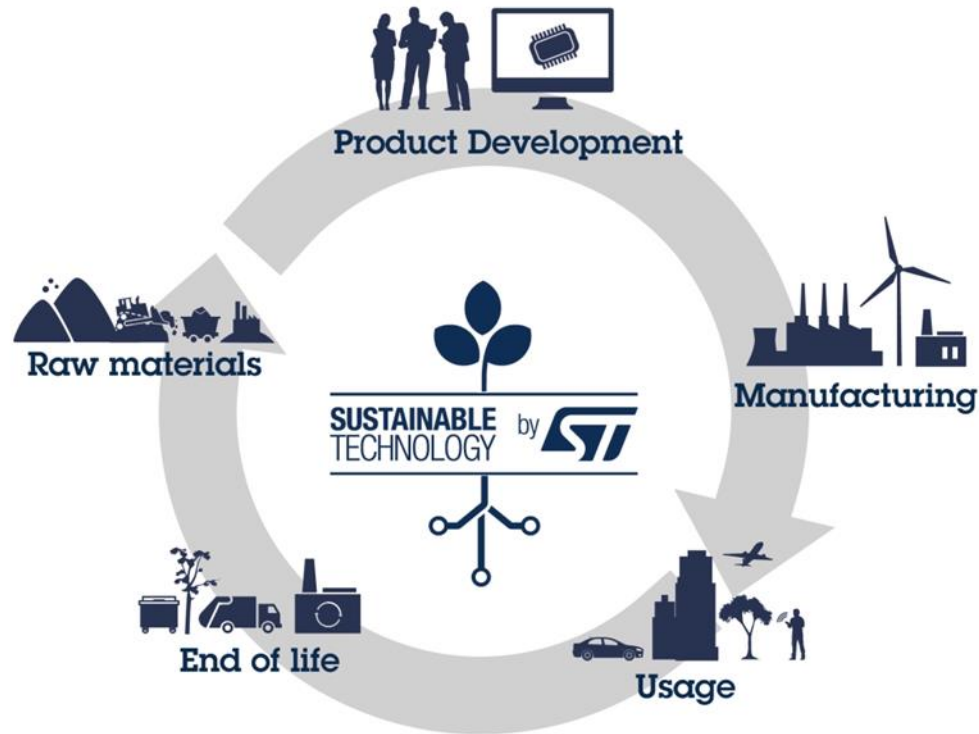
Health & Safety

Diversity, Inclusion & People Engagement

CO_2 Neutrality

External ESG investor index

Our unique product life cycle program

Our Sustainable Technology program aims to develop responsible products, in a sustainable way across full life cycle

- We aim to improve our social and environmental footprint at every stage of the product life, while supporting applications having positive impact on the planet and people

- Having at least 50% of our new products recognized as Sustainable Technology

- Generating at least 33% of our revenues from our Sustainable Technology's most advanced responsible products by 2027

Climate change eligibility (EU taxonomy)

ST is developing products and technologies aiming at substantial GHG reduction across the product lifecycle

We develop technologies which enable positive impact on people's lives

36% of our revenues are eligible to climate change

We invest in new technologies enabling low-carbon solutions for our customers

46% of our CAPEX are eligible to climate change

We develop new responsible solutions, while securing our own carbon neutrality

36% of our OPEX are eligible to climate change

We offer a leading a culture of health, safety and well-being to all our employees and subcontractors worldwide

Our ambition is to provide a safe workplace and ensure healthy lives and well-being for all. This includes:

- Prevention and 24/7 assistance of psychosocial risks
- Providing access to healthcare
- Proactively training our people on health risk management and wellbeing

Target <= 0.15% recordable cases for employees & contractors by 2025

0.15% recordable cases of ST employees and contractors in 2021
100% COVID-19 protection measures deployed

We believe that diversity enables innovation and stakeholder engagement as well as personal growth

ST is a global company operating in 35 countries

48,000 employees

We foster a diverse and inclusive work environment by

- maintaining zero-tolerance for discrimination everywhere
- recruiting and retaining a diverse workforce reflecting society and the talent market
- ensuring equity in development and career opportunities, and equal remuneration
- fostering an inclusive culture that values everyone and addresses bias and stereotypes

115 nationalities (none above 25%)

34% of women among ST employees

100.1% gender equal pay ratio worldwide (100.0% total cash)

We are committed to be carbon neutral by 2027

Amplifying the positive impact of our technology

Accelerating our sustainability initiatives

Milestones

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Carbon neutral by 2027*

Compliance with the 1.5°C scenario by 2025 – recognized by SBTi

Sourcing 100% renewable energy by 2027

Collaborative programs and partnerships for carbon neutrality throughout our ecosystems

-83% reduction in our PFCs emissions efficiency since 1994

51% renewable electricity. Participating in Apple clean energy program

-27% direct and indirect emissions efficiency in 2021 vs 2020

CARBON NEUTRAL

* Includes Scope 1, 2 and partially 3

We are committed to participation in industry ratings and benchmarking activities

Bloomberg Gender-Equality Index 2021

FTSE4Good

Member of Dow Jones Sustainability Indices — Powered by the S&P Global CSA

EURONEXT vigeo eiris INDICES

included in ETHIBEL SUSTAINABILITY INDEX — EXCELLENCE Europe

CDP SUPPLIER ENGAGEMENT LEADER

CLIMATE CHANGE A-

Corporate ESG Performance — RATED BY ISS ESG — Prime

ISS QualityScore SOCIAL 1 — Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES

ISS QualityScore ENVIRONMENTAL 1 — Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES

EURONEXT CAC 40 ESG Index MIB ESG Index

Our technology starts with You

Find out more at www.st.com

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