

# Living our values



**DJSI**  
included in  
World and  
Europe indices



**Speak up**  
Culture



**24**  
sustainability  
goals





# Governance

## LIVING OUR VALUES

Our corporate governance structure and policies reflect best practice, promoting a consistent, ethical business culture.

44%

women on the  
Supervisory Board

10

Supervisory Board  
meetings

100+


sustainability  
champions

ST has a long-standing commitment to operating in accordance with best practice corporate governance principles. We have adopted policies that consider the interests of our stakeholders and cover important issues, such as business ethics and conflicts of interest. Our corporate governance statement and policy objectives support our efforts to foster an ethical business culture that is consistent throughout the organization.

## Corporate governance structure


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, Geneva, Switzerland. Our operations are also conducted through our various subsidiaries. These are organized and operated according to the laws of their respective countries of incorporation and consolidated by STMicroelectronics NV.

We have a two-tier governance structure, in accordance with Dutch law. 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 charters are available in the corporate governance section of our website see [investors.st.com](https://investors.st.com)  | 2-1 |

## Supervisory Board

Our Supervisory Board is responsible for supervising the policies pursued by our Managing Board and supporting the Managing Board with its advice. It also oversees the Managing Board's implementation of long-term value creation and the general course of affairs and business at ST.

Our Supervisory Board is a separate and independent body that comprises nine non-executive members (four women and five men), each appointed at our Annual General Meeting of Shareholders. Members are carefully selected in accordance with our Supervisory Board Charter, the Profile of the Supervisory Board and the Diversity Policy adopted by our Supervisory Board. Skills, expertise, and soundness of judgment are among the competencies required from members of our Supervisory Board. The composition of our Supervisory Board also aims to be diverse in terms of characteristics such as nationality, experience, background, gender, and age. Further information can be found in the corporate governance section of our website (see [Corporate Governance – STMicroelectronics NV](#) ).

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

- Audit Committee
- Strategic Committee
- Compensation Committee
- Nomination and Corporate Governance Committee
- Sustainability Committee

Our Supervisory Board met 10 times in 2022, with an average attendance rate of 90.5%. 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. [I 2-9 I](#)

---

5

**standing committees**

---

## 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:

- Orio Bellezza, President, Technology, Manufacturing, Quality and Supply Chain
- Marco Cassis, President, Analog, MEMS and Sensors Group, and Head of 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](http://www.st.com) ). [I 2-9 I](#)

## 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 senior management.

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

## Independent audit

### function

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

Sustainability is central to ST's business model and is a key consideration at all levels of the organization.

Our Managing Board is responsible for directing and our Supervisory Board for overseeing our sustainability roadmap, considering both risk and opportunity.

Our Executive Committee holds quarterly meetings attended by our President and CEO, Presidents, and Executive Vice Presidents to review sustainability performance and targets. [I 2-12 I](#)

In 2022, our Supervisory Board established a Sustainability Committee with the aim to support and advise them on sustainability strategy, goals, and performance.

### Supervisory Board Sustainability Committee

The responsibilities of the Sustainability Committee include:

- monitoring and advising on sustainability policies and practices, including, but not limited to, social and environmental
- monitoring and assessing sustainability developments and emerging trends in the semiconductor industry
- reviewing stakeholder feedback relating to sustainability
- monitoring the sustainability performance of the Company
- reviewing and advising on the Company's sustainability report
- monitoring and advising on the Company's sustainability strategy, targets, goals and overall sustainability performance
- monitoring alignment between our corporate strategy and sustainability strategy

The Sustainability Committee met four times in 2022. These meetings focused on reviewing the pillars of our sustainability strategy and assessing future considerations for sustainable progress. In addition to the regular agenda, there were expert-led sessions on key focus areas, such as reporting, climate change, product stewardship, and diversity, equity and inclusion.

Our executive Sustainability Council, composed of 14 vice presidents, helps validate strategy and maintain alignment, as well as ensuring the means are in place to deploy the relevant corporate programs. Going forward, the council will be expanded to include sustainability champions from across the organization. In addition, each site has a local sustainability committee responsible for overseeing its sustainability roadmap.

The Corporate Sustainability department is responsible for developing our sustainability strategy and programs. It is supported by a network of over 100 sustainability champions who manage the programs and monitor our performance across all our sites and organizations.

ST has been a signatory of the United Nations Global Compact since 2000 and a member of the Responsible Business Alliance since 2005.

[I 2-12 I](#) [I 2-13 I](#) [I 2-14 I](#)



# Ethics and compliance

## LIVING OUR VALUES

Integrity, respect and accountability are central to the decision-making process and culture at ST.

5

dedicated ethics committees

Zero

tolerance approach to bribery and corruption

99%

eligible employees signed Code of Conduct

Putting integrity, respect and accountability 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.

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.

In 2022 we released an Addendum to our Code of Conduct. The purpose of this Addendum is to provide supplementary guidance and practical information in order to further help prevent and detect risks related to corruption or influence peddling. It also includes specific recommendations regarding charitable donations or sponsorship, gifts meals and entertainments, and other risky situations that employees may encounter.

Our Code of Conduct and its Addendum are distributed to all our employees, including newcomers. They are available on our website (see [www.st.com/code\\_of\\_conduct](https://www.st.com/code_of_conduct) ), our ST Integrity app, and in 10 languages on our intranet. | 2-23 | 2-24 | 2-27 |

## Yearly declaration

In 2022, 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 understand the reasons behind and, as applicable, identify any follow-up action plan.

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

2018	2019	2020	2021	2022
97	98	99	97	99

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

## Training

Following up on our initiative started in 2021 to update our training modules with high quality distance learning and an excellent user experience, in 2022 we deployed our new e-learning modules focusing on topics such as: anti-bribery and corruption, conflict of interest, anti-harassment and discrimination, and insider trading. These e-learning 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 other useful resources. Overall, our training and e-learning programs were taken by more than 24,500 employees in 2022.

## Communication and awareness

We continued to deploy our Compliance, Ethics and Privacy multi-channel communication and awareness strategy, via our intranet pages (generating more than 96,000 views), through our mobile application ST Integrity, and our Yammer community 'Building Trust Together'. Compliance, Ethics and Privacy was also a topic of interest for external users in 2022, leading to more than 80,000 views on our Code of Conduct page and Privacy portal available on our public website. Finally, we participated for the third time in the Distribution and Sales Convention for Asia Pacific, with more than 900 business partners in attendance physically and virtually.



### Philippe Dereeper

Chief Compliance Officer and Executive Secretary of the Supervisory Board

*By designing an effective compliance, ethics and privacy program and promoting a culture of integrity, respect and accountability, we are creating long-term value for all our stakeholders."*

## Privacy

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

During 2022, we further strengthened our data protection program by ensuring uniformity across all ST's legal entities wherever located by adopting the EU GDPR to put human beings at the center of our privacy practices. Thus, we harmonize data protection law across our global presence while leaving some discretion to follow the data privacy laws of certain countries or states (such as the US states of California, Connecticut, Colorado, Utah and Virginia who have developed their own data protection and privacy laws). At country level, 2022 was a year in which China's data protection legislation was further refined. Although, we continued to manage and process data subjects' access and deletion requests via our generic email [privacy@st.com](mailto:privacy@st.com) , we have not received any complaints on privacy breaches during 2022.

## 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.

---

### Zero tolerance towards bribery and corruption

---


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.

## Speak up and misconduct reporting

Our position is clear: 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.

Our speak up 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, in 2022 we replaced our previous hotline with a new independent multilingual Ethics Hotline, which is available 24/7 online or via phone. A link to our Ethics Hotline is accessible on our intranet, our website (see [www.st.com](https://www.st.com) ) , many communication and training materials, and our ST Integrity app. It can be used by any employee, business partner or stakeholder.

We apply the highest standards of confidentiality in handling all reports received, and 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. | 2-25 | 2-26 |

---

See something?

Say  
something!

---



## Misconduct reporting

	2021	2022
<b>Number of cases</b>	80	102
Number of incidents under review as of January 1 <sup>st</sup>	7	7
Number of incidents reported during the year	73	95
<b>Number of cases per category</b>		
Asset misappropriation	9	3
Bribery and corruption	12	11
Fraudulent statements	0	0
Harassment and other behavioral issues	42	66
Environment, health and safety issues	0	2
Data privacy	0	0
Insider trading	0	0
Other	17	20
<b>Cases closed after a preliminary assessment or formal investigation</b>	73	85
Number of confirmed external misconduct cases	1	5
which led to terminating contracts with business partners	0	4
Number of confirmed internal misconduct cases	23	29
which led to employees being dismissed or disciplined	22	28
<b>Incidents still open at year end</b>	7	17
<b>Number of litigations or investigations conducted by authorities regarding corruption against ST or its employees</b>	0	0

## 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.

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 our Managing Board or our 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 ethics 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. [12-16 |](#)

Annual sustainability goal	Status	Comments
SG17: Ensure every year that 100% of our employees have access to and are aware of our Ethics Hotline.	✓	100% have access For awareness actions see Ethics and compliance
SG18: Ensure every year that 100% of exempt employees sign an agreement to comply with our Code of Conduct and related procedures.	⦿	99%





# Risk management

## LIVING OUR VALUES

Risk management is embedded throughout our organization to provide resilience, agility and growth.

**ERM**

global approach


**12**

'priority 1 risk areas'

**100+**

ERM and resilience champions

## Our tailored enterprise risk management approach

As a company operating globally in the semiconductor market, we are exposed to risks of increased volatility, uncertainty, complexity, and ambiguity, particularly in light of current geopolitical instabilities. For a description of ST's risk factors, please refer to the relevant section in our 2022 annual report Form 20-F and our 2022 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 address specific risk scenarios

Our ERM improvement roadmap includes deploying our risk framework, which:

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

**ERM process aligned with**

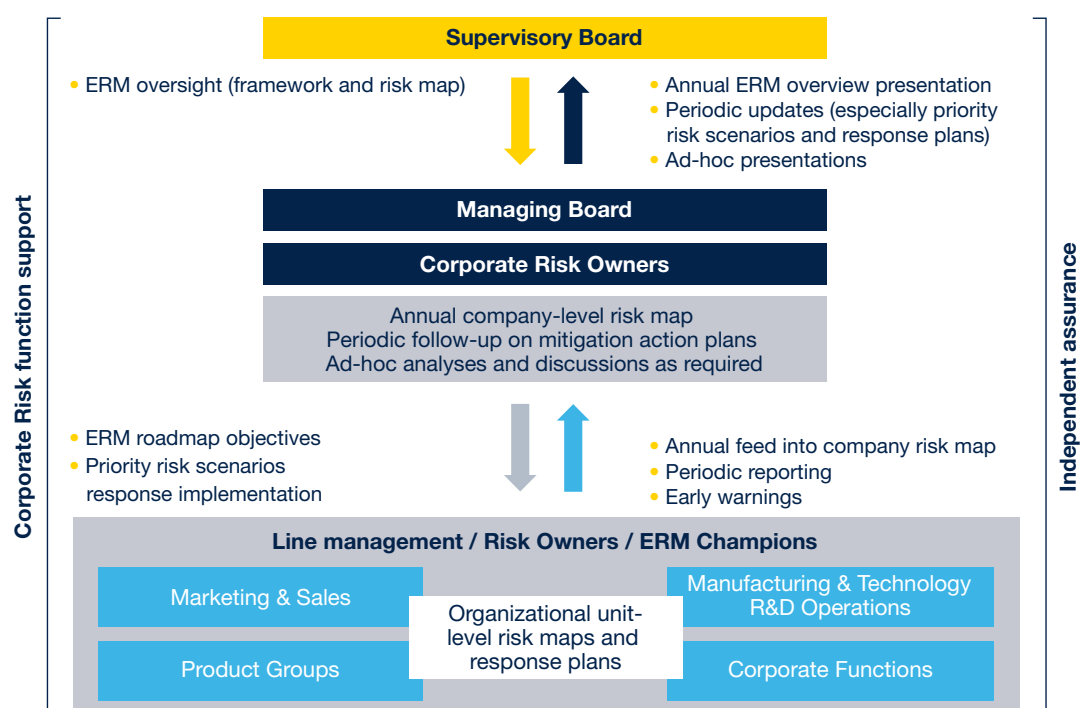
**ISO 31000**

## ST's ERM framework

<b>Governance, organization and culture</b>	• Risk oversight and governance
	• Risk culture
	• Risk appetite
	• Risk functions and communities
<b>Managing risk and opportunity</b>	• Response to and monitoring of risk and opportunity (enabling strategy and performance)
<b>Risk enablers</b>	• 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 scope of this oversight role is detailed in our Supervisory Board Charter.

Our risk governance is described in the following chart:



## Managing risk

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

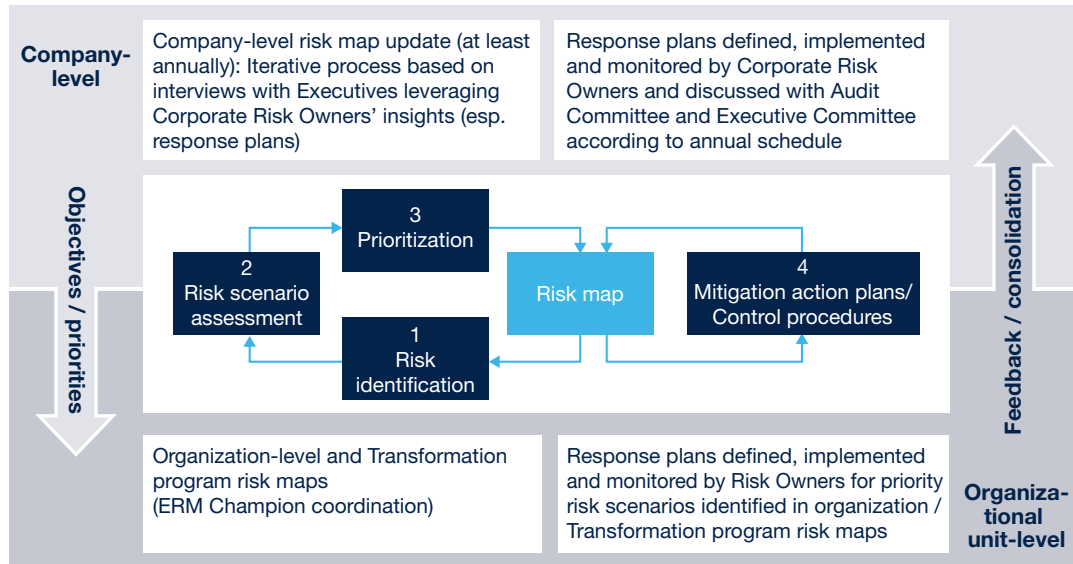
We determine the amount of risk we are willing to pursue or retain, depending on the expected rewards, opportunities, and costs.

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 as much as possible the following risk categories:

- corporate governance
- product quality
- operational resilience (internal events)
- protection of intellectual property and other sensitive information
- people, health and safety
- environmental regulations and commitments

- adherence to our Code of Conduct and compliance with applicable laws and regulations
- protection against cyber threats

Our holistic ERM process is embedded company-wide and within more than 20 organizations, to ensure specific risk scenarios are addressed at the right level. By systematically considering the views of numerous executives and external sources, we continually strive to identify and address emerging risks, including those that are externally driven, fast-evolving, or that might be of significance in the medium- to long-term.



During 2022, we refreshed our Company risk assessment with the executive management team. The output from this exercise was a risk map linked to our strategic objectives, including 12 redefined '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. These risk response plans are regularly reviewed by the Executive Committee and periodically discussed 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.

## Improving our resilience

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

- 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

## MANAGING THE CONSEQUENCES OF GEOPOLITICAL DEVELOPMENTS

In 2022, we activated a dedicated Corporate Crisis Team (CCT), reporting directly to the Executive Committee, to steer our response to the Russia-Ukraine conflict and its evolving implications. We have consistently maintained our focus on two overarching priorities:

- first, ensuring the health, safety and security of our people
- second, adapting and executing our business continuity plans, actively managing the situation across our whole supply chain, and working closely with our customers, suppliers, and partners

Learning from the experience gathered during the COVID-19 pandemic, the CCT coordinated our response across all relevant areas, including:

- monitoring international developments
- managing global travel and health and safety (including psychological support)
- monitoring the ST-specific situation and the deployment of measures in our regions/sites
- monitoring our business, supply chain, and manufacturing, in particular sourcing materials and energy, and ensuring compliance with applicable international trade rules and sanctions
- ensuring internal and external communications
- managing continuity for support functions



**Franck Freymond**  
Executive Vice President,  
Chief Audit and Risk Executive

*In 2022, the COVID-19 pandemic continued to create a fast-moving risk environment that varied according to location. In addition, the Russia-Ukraine conflict in Europe triggered multiple implications, including trade sanctions, disruptions to supply chains, and energy sourcing challenges. 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. 2022 highlighted our overall resilience in highly volatile conditions requiring constant adaptation."*

In 2022, as detailed in our multiyear improvement roadmap, we further embedded the RMS in our main sites and selected organizations, leveraging our Corporate Resilience Competence Center and a global network of resilience champions.



For the first time since 2019, more than 50 resilience champions gathered for a three-day internal conference where best practices and upcoming improvements were discussed. We implemented several incremental improvements to our RMS with fully aligned methodologies and toolkits across ERM, resilience, business continuity, and crisis management. This 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 continually 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 geopolitical tensions, terrorism or strikes)

In 2022, we further developed an ST-specific methodology underpinning a global risk management dashboard: a range of relevant indicators based on internal or external standards, covering dimensions such as:

- exposure to natural hazards
- loss prevention
- facilities robustness
- equipment modernization and redundancy
- IT infrastructure
- cyber protection

For major sites, these indicators are compiled in a Site Resilience Index (SRI), which is updated and improved on a quarterly basis. In 2022, our quality laboratories were included in the SRI. Site management teams prepare and update an annual site improvement plan accordingly.

ST has been ISO 22301 certified since 2016. Throughout 2022, our improvements have been subject to both internal audits and recertification audits from the certification body. ST was duly recertified for a three-year cycle until 2025. External surveillance audits and internal audits are scheduled to take place in 2023.

---

**ISO 22301**  
**recertified for 3 years**

---

ST was recognized by Resilinc, a leading supply chain risk management company, as ranking among the top 30 suppliers to the high-tech industry with the best risk programs in place. Suppliers were selected based on their Resilinc R Score®, a patented risk-scoring system that measures supply chain resilience based on key metrics including performance, network resilience, transparency, continuity of supply, and risk program maturity.

## Sustainability risks

The identification of our priority sustainability topics is formalized through a regular multistakeholder materiality exercise (see [Sustainability strategy](#)).

Company-level sustainability risk scenarios are then addressed as part of our ERM program. Our response level corresponds to the level of risk identified. This mapping enables sustainability risks to be fully integrated into the priority risks of the Company.

In 2022, we identified our main focuses and long-term risk mitigation actions as:

- climate change, with specific attention on securing investment for carbon neutrality, maximizing energy savings and renewable energy (see [Energy and climate change](#))
- water management with reinforcement of water strategy and policy (see [Water](#))

- diversity, equity and inclusion with training developments, diverse networks creation and, monitoring enhancement (see [Diversity, equity and inclusion](#))
- human resources programs, to ensure sustainable hiring, retention, and transformation (see [Talent attraction and engagement](#))
- health and safety, with specific programs dedicated to well-being and psychosocial risk reduction (see [Health and safety](#) and [Labor and human rights](#))

Other priority topics identified relate to chemicals and pollution management (see [Chemicals](#)), supply chain responsibility (see [Responsible supply chain](#)), and new reporting and regulatory standards for people and the environment (for example, [EU Taxonomy](#), US and EU forced labor bans).

By identifying these risks and mitigating them through dedicated actions and 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

## LIVING OUR VALUES

Sustainability has been engraved in ST's business model and culture for nearly 30 years.

26

years of sustainability reporting

DJSI

included in World and Europe indices

2027

carbon neutrality commitment

Sustainability has been a cornerstone of our business model for nearly 3 decades. We believe our commitment to a sustainable culture is good for people, the planet, business, and society at large. Our ambition is to create sustainable technology for a sustainable world, creating long-term value for all our stakeholders.

## Accelerating sustainability, together

Sustainability is embedded throughout our business model. We implement programs to manage our impacts, opportunities, and risks at each step of our value chain. Our guiding principles and 24 sustainability goals are detailed in our sustainability charter. This is endorsed by Jean-Marc Chery, our President and CEO, and is available at [www.st.com/sustainabilitycharter](http://www.st.com/sustainabilitycharter). Our progress towards these annual, 2025 and 2027 goals is described in this report, with a focus on transparency.

To support our sustainability ambitions, we integrate sustainability objectives into the compensation schemes of our senior executives and employees eligible for incentives. These objectives focus on safety, carbon neutrality, gender diversity, employee engagement, and stakeholder recognition.

As part of our plan to accelerate sustainability and engage our stakeholders, we conducted a series of sustainability workshops in 2022. The goal was to train our executive management, site managers, and sustainability and communication teams on how to engage with internal and external stakeholders on sustainability topics.



**ACCELERATING SUSTAINABILITY  
TOGETHER**

## Identifying the material issues

We identify the topics that are important for our stakeholders and have a positive or negative impact on the economic, social, and environmental value of our business.

Materiality assessments enable us to prioritize and focus on the most material topics and address them in our strategy, programs and objectives. For each material topic, we define a specific ambition and a long-term goal.

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. [I 2-29 I](#)

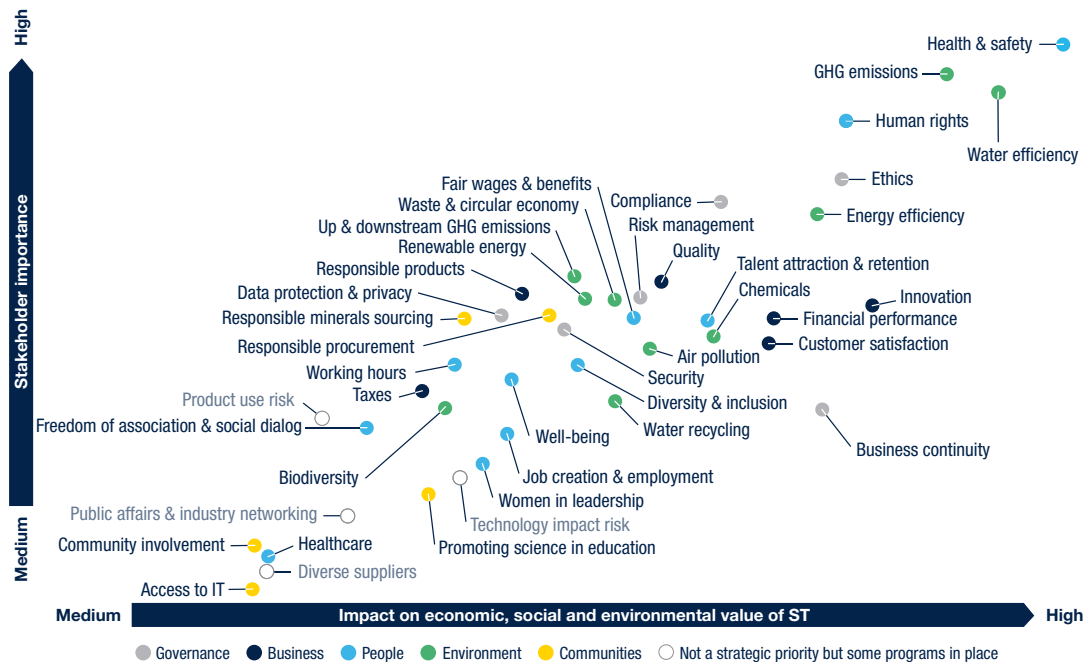
To target our sustainability management efforts, we regularly re-evaluate the results. In 2022, our review included data-driven insights from an AI software platform. With this new approach to materiality analysis, we were able to include a wider range of stakeholders and analysis of data points from public sources, such as corporate financial and sustainability reports, regulations, voluntary initiatives, news, and social media. It helped us compare internal priorities with external risks and opportunities. Based on the results of this assessment, some topics have been re-evaluated in terms of their importance and impact.

The most material topics identified were:

- health and safety
- GHG emissions
- water efficiency
- labor and human rights

We also identified an increase in materiality for some topics, such as risk management, business continuity, and data privacy, for which we already have substantial programs in place. Biodiversity also gained in importance, prompting us to launch a dedicated company-wide program (see [Our approach to the environment](#)).

[I 3-1 I](#)



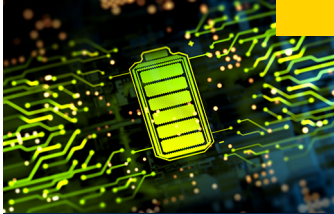
Following an in-depth analysis of all inputs, we made a final selection of the most material topics to define our sustainability strategy. In some cases, these topics were combined to reflect our highest priorities as well as the rapidly evolving sustainability environment. [I 3-2 I](#)



## Living our values

Governance, Ethics and compliance, Risk management,  
Stakeholder engagement and commitment to sustainability

### Augmenting everybody's life



Sustainable financial performance  
Innovation  
Sustainable technology  
Customer satisfaction

### Putting people first



Health and safety  
Labor and human rights  
Talent attraction and engagement  
Diversity, equity and inclusion

### Protecting the environment



Energy and climate change  
Water  
Waste  
Chemicals

## Acting together

Responsible supply chain, Responsible mineral sourcing, Community and education

## Interview



**Rajita D'Souza**

President,  
Human Resources and Corporate Social  
Responsibility

### What defined sustainability at ST in 2022?

The global energy crisis delivered a fresh set of challenges within an already complex environment. At ST, we have been integrating sustainability into our business model and operations for nearly 30 years. We have an established approach to energy management, which is a key pillar of our carbon neutrality program. In 2022, we were well positioned to accelerate our energy-saving efforts and we established energy crisis teams in France and Italy ahead of official government requirements. Monitoring our carbon footprint is critical, but we are increasingly focusing on the carbon handprint of our products and actively developing solutions for a more sustainable society at large.

We believe it is our people who help us achieve our goals. To support this, we have continued to work on our transformation programs to drive positive change across the Company. To help us develop a key pillar of our human resources transformation program, we dedicated our employee survey to diversity, equity and inclusion. This will help us identify and focus on what needs to change going forward, so we can work together more effectively.

## **How is ST engaging internal and external stakeholders in sustainability?**

We view sustainability as a collective responsibility. Engaging with our stakeholders plays a vital role in helping to prioritize and accelerate our sustainability strategy. We involve our customers, suppliers, and partners in our materiality exercise by gathering their feedback on key issues to be incorporated into our strategy. This allows us to support their expectations.

During 2022, we launched our sustainability messaging platform, which delivers targeted sustainability training and awareness programs to employees, including site managers, EHS representatives and sustainability champions. This helps reinforce alignment and creates a common core of knowledge. It also allows our sites to create sustainability roadmaps and convey this information to all stakeholders effectively.

I am also delighted that there have been so many local events, such as sustainability and EHS weeks, and sustainability challenges, which all help to raise awareness and motivation across the Company. We are very proud of the scope of many initiatives, such as 'Break the bias in STEM'. This series of external webinars aimed at ending gender discrimination in science in schools reached 15 countries in 2022.

## **What will influence the sustainability roadmap at ST going forward?**

We will continue to observe global trends and consider our stakeholders' expectations. Thanks to our proactive approach, we are well positioned to respond to growing external priorities, such as biodiversity and the demand for green applications and responsible products. To maintain this status, it is essential we continue to attract and nurture talent across the organization.

ST has been reporting its environmental impacts since 1998. During this time, the regulatory landscape has evolved significantly. We have laid solid foundations in this area which enable us to fulfill new requirements and strive for even greater transparency.

# Stakeholder engagement

Proactive engagement with both internal and external stakeholders is essential to us. By maintaining regular and open communication, we can measure our impacts to evolve in line with expectations and create long-term value.

Our diverse range of stakeholders includes employees, customers, suppliers, investors, and industry associations. To help us work towards common goals, we collaborate through a broad range of channels, across all levels of the Company. These vary across our sites according to the size and activity of the location, as well as cultural and language differences, where appropriate.

Stakeholders	Key expectations	How we engage
<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>Employee surveys and workshops</li> <li>Training</li> <li>Intranet with global and local content</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 and Technodays</li> <li>Seminars, conferences, workshops</li> <li>Site visits, meetings, audits</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 and retention</li> </ul>	<ul style="list-style-type: none"> <li>Capital Markets Day</li> <li>Regulatory filings and sustainability report</li> <li>Extra-financial questionnaires and meetings</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>Adherence to ST Code of Conduct</li> <li>Supplier training</li> <li>Audits and interviews</li> </ul>
<b>LOCAL PARTNERS AND COMMUNITY</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>Donations, training, volunteering, local initiatives</li> </ul>
<b>NATIONAL AND 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>Correspondence and visits</li> <li>Annual reports</li> </ul>
<b>ACADEMIC INSTITUTIONS AND 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> </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>Public-private partnership activities</li> <li>Participation in industry consortiums and working groups</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>Press releases and interviews</li> <li>Conferences and conventions</li> <li>Social networks</li> </ul>

We organize numerous events and activities throughout the year, both formal and informal. In May 2022, we hosted our annual Capital Markets Day for our financial stakeholders, where we could share details about our latest developments, including market trends, growth opportunities, and sustainability strategy.

In June 2022, our Catania site (Italy) celebrated its 60<sup>th</sup> anniversary with stakeholders and the city at large. The all-day event took place in the Piazza Università and was an opportunity to raise awareness about our activities and the pillars of our sustainability strategy.

Visitors could explore different stands, including a virtual tour of the wafer fab and a selection of 50 customer products across all technology domains. Many ST programs were showcased, such as carbon neutrality; diversity, equity and inclusion; STEM your way; and the activities of the ST Foundation. The event was attended by our President and CEO, Jean Marc Chery, external authorities, partners, and the wider community, providing an opportunity for everyone to share in the celebrations around this significant milestone.

We value the different perspectives of our team members and encourage open dialog and honest feedback. To ensure our employees feel informed and part of our community, we regularly share news and updates throughout the Company. Our President and CEO provides official updates through CEO calls and videos, while localized news and events are published on our intranet and via social media channels.

During the verification process for this report, external auditors interviewed three key stakeholders (a non-profit organization, a partner, and a supplier), to gain valuable insights into their views of ST. This helps us maintain a balanced perspective, assess the effectiveness of our actions, and consider the views of our stakeholders going forward.

| 2-29 |



# 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.



## 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, Community 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**

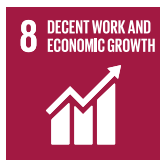


## Ensure access to affordable, reliable, sustainable and modern energy for all

- 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**



## 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, 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, People indicators**



## 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**



## 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

---



## 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 lifecycle, 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

---



## 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

---



## 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

---