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2021 Sustainability Report: STMicroelectronics steps up its sustainability commitments and programs

Geneva, May 5, 2021 - STMicroelectronics (NYSE:STM), a global semiconductor leader serving customers across the spectrum of electronics applications, releases today its 24th sustainability report detailing the 2020 performance.

“Since early 2020 the world has changed, with the pandemic reshaping how we live, work and communicate. During these tough times, ST showed resilience at all levels, while continuing to create technology for a sustainable world in a sustainable way and to generate long-term value for our people and all stakeholders. In December 2020, we took an important step to accelerate our efforts with the announcement of our commitment to become carbon neutral by 2027. To achieve this very ambitious target we have built a comprehensive program and will mobilize the support of expert partners and stakeholders in a collaborative approach.” **said Jean-Marc Chery, President and CEO, STMicroelectronics.**

For more than 25 years, sustainability has been an integral part of STMicroelectronics’ DNA, values and business model. Working together with customers and partners, ST creates innovative technologies that bring an important contribution to overcome the environmental and social challenges of the planet today. In ST’s commitment to limit climate change, a global challenge that requires collective action, ST accelerated its sustainable development objectives and has developed a roadmap to become carbon neutral by 2027, for its 40th anniversary.

Protecting the environment

ST has been actively working on reducing its environmental footprint through dedicated programs for many years. ST’s inclusion, for the first time in 2020, in the CDP¹ “A list” for climate change recognizes the company’s commitments and actions, including:

- Setting the goal to become carbon neutral by 2027, one of the earliest dates anticipated for any semiconductor company globally;
- Joining the Science Based Targets Initiative (SBTi²). By the end of 2020, ST was the only semiconductor company with approved targets to limit warming to no more than 1.5°C;
- Decreasing our total greenhouse gas (GHG) emissions by 19% in absolute terms compared to 2019;
- Purchasing 40% of electricity coming from renewable sources, representing an increase of 50% compared to 2019, with the commitment to use 100% renewable energy by 2027.

¹ CDP: <https://www.cdp.net>

² The Science Based Targets initiative is a collaboration between the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Compact (UNGC). It encourages companies to set targets for reducing Greenhouse Gas emissions based on scientific data, in order to meet the goals of the COP 21 Paris Agreement. It already includes more than 1,000 companies worldwide.

Putting people first

Facing the COVID-19 pandemic, ST's priority has been to protect its 46,000 employees, who in the past year, even more than ever, demonstrated their resilience as well as their commitment to the communities in which they live and work:

- Deployed the most stringent measures to protect the health and safety of employees who worked at ST sites to ensure continuity of operations, in line with global and local regulations;
- Enabled 15,000 employees to work from home. ST provided a new employee assistance program named 'STCare' to help them manage the constraints of working remotely;
- Donated in-kind and cash to support hospitals and protect stakeholders;
- Increased the employee engagement score in 2020 with 81% of employees recommending ST as a great place to work (+ 4 points vs 2019);
- Decreased the recordable case rate (injuries and illnesses) from 0.16 in 2019 to 0.15 in 2020, on track to reach ST's 2025 goal;
- Increased by 49% in 2020 vs 2019 the number of suppliers audited according to the RBA³ standard and methodology.

Creating innovation inspired by customers' needs

ST continues to create a funnel of innovation that allows the development of the market-leading products and solutions that enable ST's customers to fuel future growth. This allows ST to continue pushing the boundaries of disruption in technologies and applications, in line with ST's strategic objectives:

- Invested 15.2% of revenues (US\$1.55 billion) in R&D to support innovation;
- Produced 63% of new products identified as 'responsible'⁴; 18.5% of total revenues were generated by ST's responsible-products portfolio;
- Continued to progress on strategic programs based on Silicon Carbide- and Gallium Nitride-based technologies and products targeting improved energy efficiency and performance across all end-markets ST serves;
- Created a new Innovation Office increasing both internal and external talent scouting and cooperation capabilities to sustain, stimulate, and facilitate the process of continuous innovation;
- Developed open innovation with 143 active R&D partnerships around the world.

The 24th report contains highlights and details of ST's sustainability performance in 2020 and presents the Company's ambitions and longer-term goals for 2025 in alignment with the United Nations Global Compact⁵ Ten Principles and Sustainable Development Goals. It is aligned with Global Reporting Standards (GRI), Sustainability Accounting Standards Boards (SASB), and Task Force on Climate-Related Financial Disclosures (TCFD). This report has been verified by a third party.

The 2021 Sustainability Report (2020 performance) can be viewed [here](#) and downloaded as a PDF [here](#).

³ Responsible Business Alliance is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. <http://www.responsiblebusiness.org/>

⁴ Responsible products are products that provide environmental and social benefits.

⁵ The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption. More information on the UN Global Compact is available at: <http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html>

About STMicroelectronics

At ST, we are 46,000 creators and makers of semiconductor technologies mastering the semiconductor supply chain with state-of-the-art manufacturing facilities. An independent device manufacturer, we work with more than 100,000 customers and thousands of partners to design and build products, solutions, and ecosystems that address their challenges and opportunities, and the need to support a more sustainable world. Our technologies enable smarter mobility, more efficient power and energy management, and the wide-scale deployment of the Internet of Things and 5G technology. Further information can be found at www.st.com.

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