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STMicroelectronics Publishes its 2013 Sustainability Report

Geneva, June 27, 2014 - STMicroelectronics (NYSE:STM), a global semiconductor leader serving customers across the spectrum of electronics applications, has announced the publication of the Company's 2013 Sustainability Report. This seventeenth annual report contains comprehensive details of ST's Sustainability strategy, policies and performance during 2013 and illustrates how the Company's sustainability programs play a major role throughout the business to create value for all of its stakeholders.

"ST recognized the importance of sustainability well before many other companies and it has been part of our DNA for two decades," said Carlo Bozotti, President and CEO of ST. "Sustainability is also increasingly important for our customers: our awareness and understanding of global sustainability challenges and consumer expectations allow us to offer innovative and responsible technologies and products that address their needs. Innovation-driven enterprises which are sustainable in every way – financially, socially and environmentally – are key to addressing the world's challenges and their value remains undiminished; ST is determined to pursue this path, using the skills and sustainability commitment of all our employees to continue to bring a positive contribution to people's lives through microelectronics."

In 2013, ST maintained its long-standing commitment to sustainability, with progress in all of our focus areas: People, Products, Environment and Community. Major achievements in 2013 included:

- Further consolidation of the position as an industry leader in employee Health & Safety, with a 24% decrease in safety recordable cases in 2013 compared to 2012, as a result of reinforced Environment, Health and Safety programs such as on-site management visits, communication, audits and training that in 2013 amounted to 260,000 hours overall;
- The introduction of over 450 "Responsible Products;"¹
- An expanding ecosystem around FD-SOI technology which has become recognized for its unique power-performance benefits across a range of new applications;
- The successful integration of approximately 1,000 former ST-Ericsson employees to fuel business growth in leading product areas;
- A significant increase in "green energy" purchases, up from 7.4% in 2012 to 17.6% in 2013. The company also achieved a further 6.7% reduction in water draw-down compared to 2012 and recycled and reused 91% of waste, with only 4.9% sent to landfill:
- The complete elimination of P-FOS (Perfluorooctyl Sulfonates) from all manufacturing processes;
- ST's score in the DJSI Supply Chain section increased by 6 points;
- A 49% increase over 2012 in the number of people that the ST Foundation educated via its Digital Unify program.

¹ ST defines "responsible products" as those that reduce energy consumption and/or provide new environmental & social solutions responding to key societal challenges.

During the year, ST garnered over 20 awards worldwide related to innovation and sustainability. ST was also re-included in the Dow Jones Sustainability Index for Europe, and, for the second consecutive year, in the Thomson Reuters annual ranking of the 100 most innovative companies in the world.

ST was one of the first companies to sign up for the United Nations Global Compact² and this report represents our "Communication on Progress". It also complies with the guidelines for the Global Reporting Initiative (GRI)³, and includes feedback and contributions from numerous external stakeholders.

The report is available as a PDF <u>here</u>. More information about ST's approach to Sustainability is available <u>here</u>.

NOTES

Sustainability achievements in 2013 included:

People

2013 was a year of focus and improvement for the Company in terms of safety, with ST reinforcing its position among the best-in-class in our industry with a decrease of 24% in recordable cases rate and 45% in severity rate in 2013 compared to 2012. We also maintained our annual OHSAS 18001 certifications, with renewal confirmed for 23 sites. ST is building its growth on people development and particularly on its technical expertise. Our technical community through its 463 technical experts is now very active fostering cross-fertilization and innovation to strengthen ST's technological competitive advantage. As part of our innovation and R&D development strategy, we launched an advanced intranet site dedicated to networking and knowledge sharing where all ST employees can access the profiles of Technical Staff, their patents, publications and lectures, enabling talent identification or offers to collaborate on new projects.

Products

Our Sustainable Technology program reflects our approach to product responsibility, which goes beyond our efforts to reduce the environmental impact of our products. It focuses on the positive role we can play, in respect to the major societal and environmental issues facing our world today, by providing innovative technology solutions. In 2013, we launched 463 such "Responsible Products." We also made good progress in our ongoing efforts to align our hazardous substance management systems with the IECQ QC 080000 HSPM standard. In the field of conflict-free minerals, 100% of smelters in our tantalum supply chain have achieved Conflict-Free Smelter (CFS) validation, while the number of CFS-validated gold smelters increased from 30% to 65% in 2013.

² 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, labour standards, the environment and anti-corruption More information on: http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html

³ The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world. More information on: https://www.globalreporting.org

Environment

ST has a very long tradition of striving to improve its environmental performance and, over two decades has made significant progress in all of the Environment Health & Safety (EHS) Decalogue areas, including climate change, waste, risk management and health and safety. Even though it is becoming increasingly challenging to continually improve our performance, ST reduced its overall environmental footprint compared to 2012, by reducing its CO₂ emissions per unit of production by 18% and its consumption of energy per unit of production by 6.7%, as well as reaching the best rate since 1994 of 43.5% of water recycled and reused.

Community

During 2013, ST's Community Involvement program comprised some 385 initiatives worldwide, at 40 sites in 23 countries. The ST Foundation, through its Digital Unify program, educated 42,257 people, a 49% increase over 2012, and installed 30 new informatics centers, as well as rolling out the program to China and Philippines. To increase young people's employability, ST provided internships, apprenticeships and PhD opportunities to more than 500 students within 20 ST different organizations in 2013 and had partnerships with 525 universities, colleges and schools.

About STMicroelectronics

ST is a global leader in the semiconductor market serving customers across the spectrum of sense and power and automotive products and embedded processing solutions. From energy management and savings to trust and data security, from healthcare and wellness to smart consumer devices, in the home, car and office, at work and at play, ST is found everywhere microelectronics make a positive and innovative contribution to people's life. By getting more from technology to get more from life, ST stands for life.augmented.

In 2013, the Company's net revenues were \$8.08 billion. Further information on ST can be found at www.st.com.

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