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STMicroelectronics Publishes its 20th Annual Sustainability Report

Geneva, May 24, 2017 - STMicroelectronics (NYSE:STM), a global semiconductor leader serving customers across the spectrum of electronics applications, announced the publication of the Company's 2017 Sustainability Report. The report contains details and highlights of ST's sustainability strategy and its 2016 performance, in alignment with the United Nations Global Compact[1] Ten Principles and Sustainable Development Goals.

"This twentieth edition of ST's Sustainability Report highlights the efforts and achievements we made in 2016 as well as over the course of the past 20 years," said Carlo Bozotti, President and CEO of STMicroelectronics. "We are proud of what we have achieved in an ever-changing business environment. Our business is delivering sustainable growth, our people are committed to ST and to their local communities, the impact of our operations on the environment is strictly managed, and we provide solutions that make the world safer, more efficient, productive and simpler. Yet, for ST, sustainability is about continuous improvement by always striving for excellence. We recognize there is still more to do and we are committed to doing more, for all our stakeholders."

Among the key sustainability highlights and successes in 2016:

Business
- Completed the certification program announced two years earlier, with all major ST sites achieving certification to the latest and most stringent ISO 22301 Business Continuity Management standard;
- Strengthened Lean practices beyond manufacturing, into all organizations, including Research and Development, and increased the number of non-manufacturing employees trained on Lean in 2016 to more than 1,000;
- Deployed internally an innovation collaborative framework across all ST organizations while continuing to run industrial partnerships and research

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[1] 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 here:
http://www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html

programs, reaching a total of 228 active research partnerships with universities and research laboratories in 2016;

- Continued to boost our product and technology innovation efforts with an R&D investment of about US$1.3 billion in 2016.

People and Communities
- Increased the overall number of employee medical check-ups by 19%, using local health programs and prevention campaigns based on highlighting more common local risks (melanoma, obesity, smoking, allergies, etc.);
- Maintained focus on safety performance with a recordable case rate of 0.17, while fully involving subcontractors in ST's "Safety First program", leading to a 12% decrease of the subcontractors' accident rate from 0.4 in 2015 to 0.35 in 2016;
- Reduced risks in the Labor and Human Rights domain through local self-assessment, while also reinforcing controls across our supply chain. Together these efforts have produced an Electronic Industry Citizenship Coalition (EICC) Code of Conduct self-assessment score of 93.9%, 4.2 percentage points above the industry average;
- In addition, ST encouraged good global citizenship through contributions to 307 local initiatives, involving almost 30 sites in 15 countries. These efforts included ST employees donating more than 125,000 hours of company time to community-based activities and charities. Supported by ST, the ST Foundation with its Digital Unify program increased by 37% the number of trainees in 2016 compared to the past year, reaching 403,150 trainees since the beginning of the program in 2003.

Environment & Operations
- Reduced ST's water footprint by more than 73% since 1994. The score of B maintained in the CDP's water-disclosure program in 2016 ranked ST above the industry average for its approach to water-related risk assessment;
- Cut Energy footprint in half and Carbon footprint per wafer by 75% in 20 years. In 2016, ST continued to demonstrate its commitment to sustainable energy sourcing by responsibly purchasing more than 23% of the energy from renewable sources, 5% more than in 2015;
- Reused, recovered, or sent for recycling 91.3% of the waste generated through operations, in line with best-in-class industry standards;
- Increased the proportion of Responsible Products from 27% of the products registered in 2015 to 34% at the end of 2016. We define responsible products as innovative products that provide clear environmental and social benefits;
- More than 99% of the smelters in our supply chain were Conflict-Free Sourcing Initiative (CFSI) validated by the end of 2016.

This report, which you can find as a PDF here, aligns with the Global Reporting Initiative's G4[2] guidelines, best-in-class reporting standards. ST was also one of the first companies to commit to the United Nations Global Compact and the report represents the "Company's Communication on Progress."

More information about ST's approach to Sustainability is available here.

About STMicroelectronics
ST is a global semiconductor leader delivering intelligent and energy-efficient products and solutions that power the electronics at the heart of everyday life. ST's products are found everywhere today, and together with our customers, we are enabling smarter driving and smarter factories, cities and homes, along with the next generation of mobile and Internet of Things devices. By getting more from technology to get more from life, ST stands for life.augmented.

In 2016, the Company's net revenues were $6.97 billion, serving more than 100,000 customers worldwide. Further information can be found at www.st.com.

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[2] *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 is available at https://www.globalreporting.org*