Infineon Technologies[1] Slavery and Human Trafficking Statement

Status March 2021

Infineon Technologies is a world leader in semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon are the key to a better future. In the 2020 fiscal year (ending 30 September), Infineon reported revenue of more than €8.5 billion with a workforce of some 46,700 people worldwide. Following the acquisition of the US company Cypress Semiconductor Corporation in April 2020, Infineon is now a global top 10 semiconductor company. Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the over-the-counter market OTCQX International Premier (ticker symbol: IFNNY).

We cooperate with numerous suppliers who provide us with materials and services, or who manage parts of our supply chain. Only in close cooperation with our suppliers to optimize the whole value chain, we will achieve sustainable competitive advantages in the future. The California Transparency in Supply Chains Act of 2010 and the United Kingdom Modern Slavery Act of 2015 require certain businesses to provide disclosure concerning their efforts, if any, to address the issues of slavery and human trafficking in their supply chains. The disclosures are intended to provide consumers the ability to make better choices about the products and services they buy and the companies they support. As reflected in our commitment to the United Nations Global Compact we respect and observe the internationally proclaimed human rights, including the rights to personal dignity and privacy. As set forth in our Business Conduct Guidelines as well as in our Principles of Procurement, we do not tolerate human rights abuses in any form, nor any form of forced labor, slavery, involuntary prison labor or child labor. The term "child" refers to persons under the age of 15. Exceptions apply for certain countries subject to ILO Convention 138 (minimum age reduced to 14 years) or for job training or training programs which are authorized by the respective government and which demonstrably promote those participating. We strictly oppose any form of human trafficking and slavery and do not tolerate any form of forced labor, bonded or involuntary prison labor. All work is performed without coercion of any kind and can be terminated by each employee by means of appropriate resignation.

Effective risk and opportunity management is central to all of our business activities. It supports the achievement of our strategic goals, namely sustainable profitable growth and ensuring efficient use of capital. We conducted various evaluations in the area of human rights at our manufacturing sites around the world. Based on these evaluations we concluded that our activities are in compliance with the International Bill of Human Rights and with the fundamental principles of the International Labour Organization (ILO). In accordance with our Business Conduct Guidelines and our Principles of Procurement the above-mentioned principles shall apply to both internal cooperation and conduct towards external partners. Infineon provides mandatory training focused on our Business Conduct Guidelines to all employees and managers worldwide, including those with direct responsibility for supply chain management. The training includes, among other topics, work-related standards and principles as well as fair business practices.

[1] For legacy Cypress adequate measures apply.

Infineon requires its suppliers to comply with all valid laws including those dealing with human rights as well as fair business practices. These and other expectations towards suppliers are reflected in our Principles of Procurement which are binding for our suppliers. Therefore, we demand our suppliers to be committed to our values.

A long-term partnership between Infineon and its suppliers is a core element of our corporate philosophy. In the course of this partnership, our suppliers are managed centrally in a supplier management portal where data is updated as necessary. This system is also used for supplier evaluation. The compliance with our requirements in the area of Corporate Social Responsibility (CSR) is highly relevant when selecting new suppliers, evaluating existing suppliers, and also for future supplier development. At Infineon, suppliers have to answer a CSR questionnaire. In the 2020 fiscal year, we expanded the CSR questionnaire by including more detailed questions in the area of human rights. These questionnaires are then evaluated by Infineon specialists. In case any deviation is identified, this will be discussed directly with the supplier. Those suppliers which could mean a risk for Infineon are classified as "red light" and therefore cannot be registered in our system for ordering or contract processes and do business with Infineon. The supplier must implement measures immediately to solve the issues addressed and is blocked until those measures are positively assessed. If any answers appear to be unacceptable, Infineon reserves the right to audit a supplier. Infineon will apply appropriate legal measures, up to and including the termination of contracts, where company standards are not met. So far Infineon has not used third party verifications nor independent or unannounced audits.

All employees, business partners, customers or other stakeholders who would like to report possible violations of national regulations or internal guidelines can make their report to the Infineon Integrity Line, openly or anonymously. The Infineon Integrity Line is available to employees, suppliers, customers and other third parties, and considers local languages in addition to English. Infineon treats all reports confidentially and has a clear non-retaliation policy.

Respect for human rights is a matter of course for Infineon. Avoiding "DRC conflict minerals" in the supply chain means that we are contributing towards the prevention of human rights abuses. The term "DRC conflict minerals" applies to tantalum, tin, tungsten and gold (3TG), inasmuch as their extraction and/or trade directly or indirectly finances or benefits armed groups in the Democratic Republic of the Congo or adjoining countries. In the 2020 fiscal year, Infineon identified 100 percent of its potential suppliers of conflict minerals and evaluated them with regard to their use and sourcing of conflict minerals. Based on the full response of our suppliers and in accordance with the requirements of the OECD guidance, we can duly state that all Infineon products are DRC conflict-free.

Infineon is further evaluating appropriate auditing, verification and certification practices and processes to ensure the aims mentioned in this document.

For further information concerning Infineon's supply chain responsibility, please see "Sustainability at Infineon".

Dr. Reinhard Ploss
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