Infineon Technologies Slavery and Human Trafficking Statement

Status March 2018

Infineon Technologies AG is a world leader in semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon is the key to a better future. In the 2017 fiscal year (ending September 30), the Company reported sales of around €7.1 billion with about 37,500 employees worldwide. 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 co-operation 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 Purchasing, we shall not condone human rights abuses, neither in the form of direct nor beneficial nor silent complicity. 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 and plays an important role in implementing the strategic targets – namely achieving sustainable, profitable growth and preserving our financial resources through efficient employment of capital.

We conducted various evaluations in the area of human rights at our manufacturing sites around the world. On the basis of these evaluations we concluded that our activities are in compliance with the International Bill of Human Rights and with the conventions and principles of the International Labour Organization (Fundamental ILO Conventions).

In accordance with our Business Conduct Guidelines and our Principles of Purchasing the above-mentioned principles shall apply to both internal cooperation and conduct towards external partners. Therefore we expect our suppliers to be committed to the same values. Infineon requires its suppliers and vendors 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 Purchasing, which are binding for our suppliers.

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.

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At Infineon, suppliers have to answer a CSR questionnaire which includes social and human rights questions among others. 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 SAP 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 by the experts.

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 its employees and contractors, where company standards are not met. So far Infineon has not used third party verifications nor independent or unannounced audits.

Infineon provides mandatory training focused on our Business Conduct Guidelines to all employees and managers worldwide, in particular to 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.

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 Integrity Line is available to employees, suppliers, customers and other third parties, and also considers local languages in addition to English. Infineon treats all reports confidentially and has a clear non-retaliation policy.

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

For complete information concerning Infineon's supply chain responsibility, please see "Corporate Social Responsibility at Infineon" (http://www.infineon.com/csr).

Dr. Reinhard Ploss
Chief Executive Officer

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