

Supplier Code of Conduct

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www.infineon.com

Introduction

At Infineon Technologies, sustainability unites social, ecological, and economic responsibility. Our objective is to maintain mutually beneficial relationships with our suppliers and to reward and do business with suppliers who demonstrate their responsibility in the same manner.

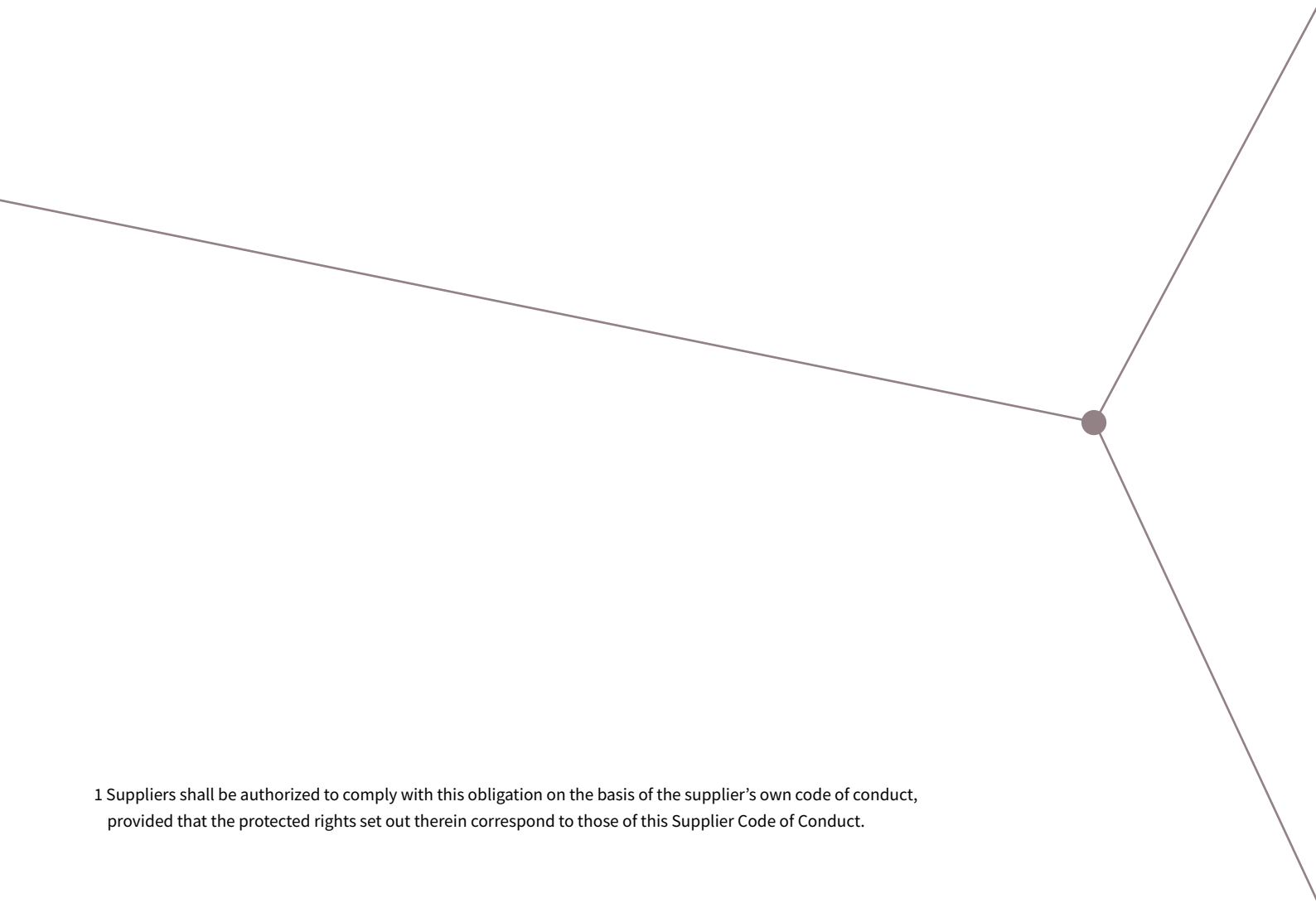
As a globally operating company, Infineon Technologies takes its role in the multinational community seriously: We are committed to the principles of the UN Global Compact, the Code of Conduct of the Responsible Business Alliance, we adhere to national laws and to the principles we have defined for ourselves in our own Business Conduct Guidelines. These standards build the framework of our Supplier Code of Conduct.

Subject and scope

The Supplier Code of Conduct reflects the essential business behavior requirements that we expect our suppliers to uphold. Each of our suppliers and its affiliates shall warrant …

- compliance with all applicable laws and regulations,
- adherence to the ten principles of the UN Global Compact, the Fundamental ILO conventions, the International Covenant on Civil and Political Rights as well as the International Covenant on Economic, Social and Cultural Rights, and, specifically, compliance with the requirements described in chapters A-H of the present document,
- that all requirements and standards described herein are addressed and passed on along their supply chains by obliging their suppliers and subcontractors to comply with the Supplier Code of Conduct[1] and providing a copy of it no later than upon conclusion of the respective contract or subcontract.

Please note that our suppliers shall comply with the currently applicable version of the Supplier Code of Conduct of Infineon Technologies available on our website.



1 Suppliers shall be authorized to comply with this obligation on the basis of the supplier's own code of conduct, provided that the protected rights set out therein correspond to those of this Supplier Code of Conduct.

A. Labor and human rights

Infineon Technologies respects and observes internationally proclaimed human rights as defined in the International Declaration of Human Rights and Fundamental ILO Conventions. We ensure that we are not complicit in human rights abuses, whether directly or by way of beneficial or silent complicity. Our suppliers shall comply with these principles as well.

Diversity and anti-discrimination – Our suppliers shall treat their employees with respect and dignity by complying with the Conventions on Equal Remuneration and Discrimination (International Labour Organization's Convention 100 and Convention 111). Infineon Technologies thrives on the diversity of its staff. Our global diversity management provides the framework for a corporate culture which values the individuality of each staff member and promotes equal opportunities – irrespective of age, disability, ethnic-cultural origin, gender, religion or belief, or sexual identity. Our suppliers shall comply with these principles as well. Our suppliers must not tolerate any discrimination, harassment or offense on the basis of for example race, color, national, ethnic or social origin, gender, gender identity, health status, religion or belief, age, migrant status, disability, political or labor union affiliation, veteran status, sexual orientation, marital or family status. All forms of sexual harassment, corporal punishment, physical coercion, and verbal abuse shall be prohibited, as well as any intimidating, hostile or offensive conduct that interferes with an employee's work performance.

Forced labor and slavery – Infineon Technologies is against any form of forced labor; this includes any work that is required of a person under threat of punishment and for which the person has not made himself/herself available voluntarily. Hence, we demand that suppliers reject forced labor, including indentured labor, bonded labor, and any other form of forced labor according to the Convention Concerning Forced or Compulsory Labour (International Labour Organization's Convention 29 and Convention 105).

Infineon Technologies does not tolerate suppliers that traffic workers or in any other way exploit workers by means of threat, force, coercion, abduction or fraud. All work shall be voluntary, workers shall be free to leave work, terminate their employment or other work status with reasonable notice and must not be required to pay recruitment expenses, either in their home country or the country where work is performed.

Furthermore, the suppliers shall ensure that no form of slavery, slavery practices, serfdom or other forms of domination or oppression takes place in the workplace.

Child/underage labor – Infineon Technologies is against all forms of underage labor. Suppliers shall comply with the Convention on the Minimum Age for Admission to Employment (International Labour Organization's Convention 138) and shall be committed to prohibition and immediate action to eliminate the worst forms of child labor according to the Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (International Labour Organization's Convention 182).

Hence, our suppliers must not permit work to be carried out by persons …
› under the age of 15,
› under the applicable minimum legal age for employment,
› under the applicable minimum legal age for completion of compulsory education, whichever is highest.

Exceptions apply to employment relationships in developing countries operating under International Labour Organization (ILO) Convention 138 and to governmental authorized job training and apprenticeship programs that clearly benefit the persons participating.

Furthermore, workers under the age of 18 ("young workers") must not perform hazardous work that is likely to jeopardize their health or safety or that compromises their education (e.g. night shifts, overtime). Suppliers shall have a remediation plan in place, in the event of any underage labor found.

Working hours – Our suppliers shall meet local legal working hour and rest day requirements. Suppliers shall ensure that overtime is voluntary and paid in accordance with local and national laws and regulations. Suppliers shall keep employee working hour and pay records in accordance with local and national laws and legal regulations. In line with the Code of Conduct of the Responsible Business Alliance (RBA), a work-week shall be restricted to 60 hours, including overtime, and workers shall have at least one day off every seven days except in emergencies or exceptional situations.

Wages and benefits – Infineon Technologies compensate its employees with an adequate living wage for their work with wages that meet at least minimum legal standards and comply with the applicable laws, regulations, and agreements on general working conditions. We expect our suppliers to provide their workers with a fair compensation, (including overtime pay and benefits) that, at a minimum, meet the legal minimum standards.

Freedom of association and collective bargaining – Infineon Technologies expects its suppliers to respect workers' rights to freedom of association and collective bargaining in accordance with local legal requirements. Suppliers shall comply with the Conventions on Freedom of Association and Protection of the Right to Organise Convention (International Labour Organization's Convention 87) and the Right to Organise and Collective Bargaining (International Labour Organization's Convention 98). Workers' rights to associate with others, form and join (or refrain from joining) must not be a subject to harassment, discrimination or retaliation. Trade unions are free to operate in accordance with the applicable laws of the place of employment, including the right to strike and the right to collective bargaining.

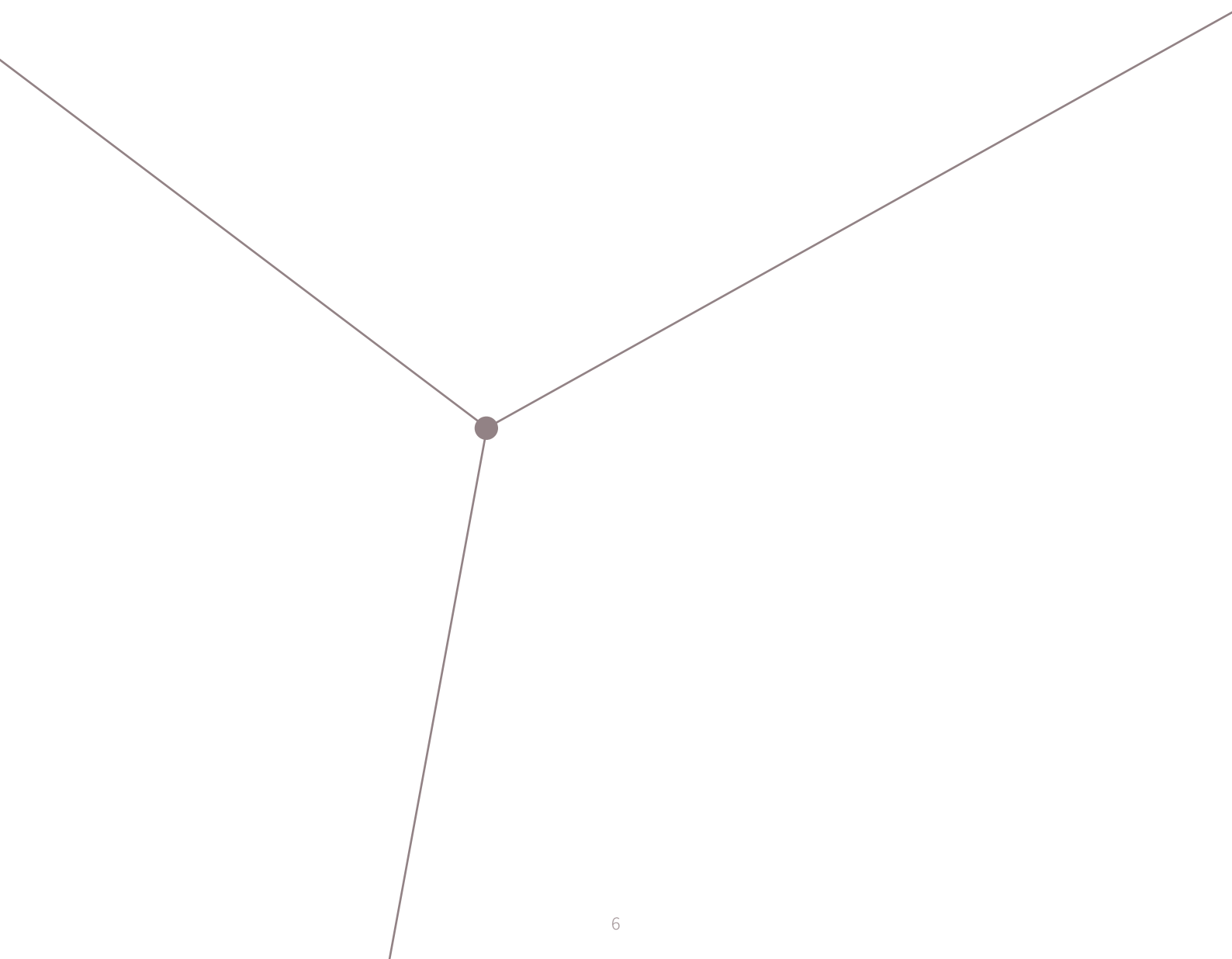
Third-party employment agencies – Infineon Technologies expects our suppliers to ensure that the third-party recruitment agencies it uses comply with the standards and practices covered by the Infineon Technologies Supplier Code of Conduct and that they act ethically and in the best interests of workers when contracting labor.

Migrant workers – Infineon Technologies expects its suppliers to ensure that both domestic and foreign migrant workers face no risk of exploitation and to ensure that migrant workers are not discriminated against with respect to these standards. Our suppliers shall only engage workers who have a legal right to work, unless the workers are associated with an approved program for refugee populations.

Land grabbing – Infineon Technologies expects its suppliers to not to take part in unlawful evictions or unlawful taking of land, forests or waters that support and secure a person's livelihood.

Use of security services – Infineon Technologies expects its suppliers to ensure the responsible provision of security services by hiring and use of private or public security services that respect the human rights of all persons by not:

› threatening torture or cruel, inhuman or degrading treatment,
› threatening life or serious injuries,
› violating the freedom of association or the right to organize.



B. Environment, safety, health

Occupational health and safety – Infineon Technologies is committed to protecting our employees' health and safety. Consequently, our suppliers shall comply with Occupational Safety and Health Conventions (International Labour Organization's Convention 155 and 187) and provide a safe and healthy working environment for all their employees, shall monitor workers' potential exposure to safety hazards, and shall minimize risks and hazards at all of the suppliers' workplaces in order to protect the health and well-being of their employees, contractors and third parties visiting the suppliers' premises. Suppliers shall implement an occupational health and safety training management system determining when and how to use equipment correctly as well as educational materials about risks associated with these hazards. Furthermore, we encourage our suppliers to implement an occupational health and safety system, certified according to ISO 45001 or its equivalent.

Environmental protection – The protection of the environment is an integral part of Infineon Technologies' business decisions and we are committed to conducting our business in an environmentally responsible way. Consequently, our suppliers shall assume global and local environmental responsibilities and shall take the necessary steps to protect the environment in the various regions of the world in which they are operating and manage their business in a sustainable and transparent way. Our suppliers shall comply with all applicable environmental laws and regulations, including but not limited to laws and regulations that regulate hazardous materials, waste, air or water emissions. We encourage our suppliers to implement an environmental management system certified according to EN ISO 14001 or its equivalent.

Our suppliers shall train their staff regularly in environmental protection issues. Our suppliers shall minimize the environmental impact of their services, products, materials, tools, and equipment at the earliest possible stage. Our suppliers shall strive to reduce their own carbon footprint, examine, track, and document all relevant greenhouse gas emissions and strive for energy efficiency. We encourage our suppliers to contribute to the carbon footprint transparency of their products and services delivered to Infineon Technologies. Upon Infineon Technologies' request, suppliers shall provide data on emissions at the company and/or product level.

Our suppliers shall comply with provisions on the bans on…

- manufacturing mercury-added products and on using mercury and mercury compounds in manufacturing processes, as well as the ban on the processing of mercury waste (Minamata Convention),
- production and use of chemicals in compliance with the Stockholm Convention on Persistent Organic Pollutants (POPs Convention),
- handling, collection, storage or disposal of waste in a manner that is not environmentally sound in accordance with the provisions of applicable laws (POPs Convention),
- export and import of hazardous or other waste (Basel Convention).

Conflict minerals[2] – Infineon Technologies' objective is to have and maintain a conflict-free supply chain. We take systematic steps for responsible sourcing to avoid the use of the conflict minerals tin, tungsten, tantalum and gold (3TG) in our supply chain that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) and thereby achieving and maintaining a supply chain that is DRC-conflict free[3] according to the OECD[4] Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas ("OECD Guidance").

Infineon Technologies accepts only smelters in its supply chain that are certified according to the Reasonable Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI).

Infineon Technologies has expanded its activities relating to social and environmental responsibility in the supply chain by including cobalt and Mica[5] in its due diligence program for the responsible procurement of minerals.

Infineon Technologies expects suppliers to support its effort to identify the origin of designated minerals used in our products, ensuring that direct materials, parts, components and sub-assemblies supplied to Infineon Technologies are DRC-conflict free.

Infineon Technologies requires suppliers whose products contain conflict minerals, cobalt and/or Mica to exercise due diligence over their supply chains in accordance with OECD Guidance and any other nationally or internationally recognized supply chain due diligence standard of equivalent nature, and to submit this information to Infineon Technologies using the standardized Conflict Mineral Reporting Template (CMRT) as well as an Extended Minerals Reporting Template (EMRT) issued by the Responsible Minerals Initiative (RMI).

Infineon Technologies suppliers are requested to urge smelters and refiners identified in their supply chain to complete an independent third-party conflict-minerals audit process and to remove from their supply chain those which have not passed or are unwilling to participate in such an audit.

2 For further information, please refer to our Infineon Conflict Minerals Policy.

3 DRC conflict free "means that a product does not contain conflict minerals necessary to the functionality or production of that product that directly or indirectly finance or benefit armed groups" as defined SEC Rule 13p-1 under the Securities Exchange Act of 1934.

4 Organisation for Economic Co-operation and Development (OECD)

5 Mica is a group of minerals known as layered silicates, which are frequently used as insulation in power diodes, semiconductors and rectifiers as well as other applications.

C. Business ethics

Infineon Technologies' reputation depends on how we treat the people we deal with every day in conducting our business. Therefore, we uphold our reputation by…

- abiding by the rules of fair competition and anti-trust laws,
- working against corruption in all its forms,
- not taking advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair dealing practices.
- complying with applicable laws,
- respecting contractual obligations,
- avoiding any business behavior which might be considered improper,
- protecting all confidential information,
- respecting other parties' intellectual property.

Our suppliers shall comply with these principles.

Business gifts – Infineon Technologies' employees are not allowed to accept any gifts other than gifts of nominal value. This includes the acceptance of any favors that might give rise to the appearance of improper influence. Our suppliers shall comply with this business practice.

Conflicts of interest – The highest standards of integrity are to be upheld in business interactions with Infineon Technologies. The employees of our suppliers shall refrain from offers that could give rise to the appearance of a conflict of interest for our employees. Our suppliers shall proactively inform Infineon Technologies in case of a potential conflict of interest, e.g. due to family connections.

Contractual basis – Our suppliers shall only provide Infineon Technologies with products or services based on an executed purchase order, supply contract or service contract.

Business contact – Infineon Technologies' procurement department shall be the sole point of business contact for the supplier's sales department. Commercial terms and conditions (including but not limited to price, payment terms, delivery date, specification) shall only be discussed with the participation or consent of Infineon Technologies' procurement department.

D. Security, cyber-security, privacy, export control, and customs compliance

Our suppliers shall strongly support our efforts regarding security in the supply chain and the protection of our assets, in particular our data, information, intellectual property and products. Our suppliers shall ensure that their security and cyber-security policies are effectively implemented, regularly checked, and continuously improved.

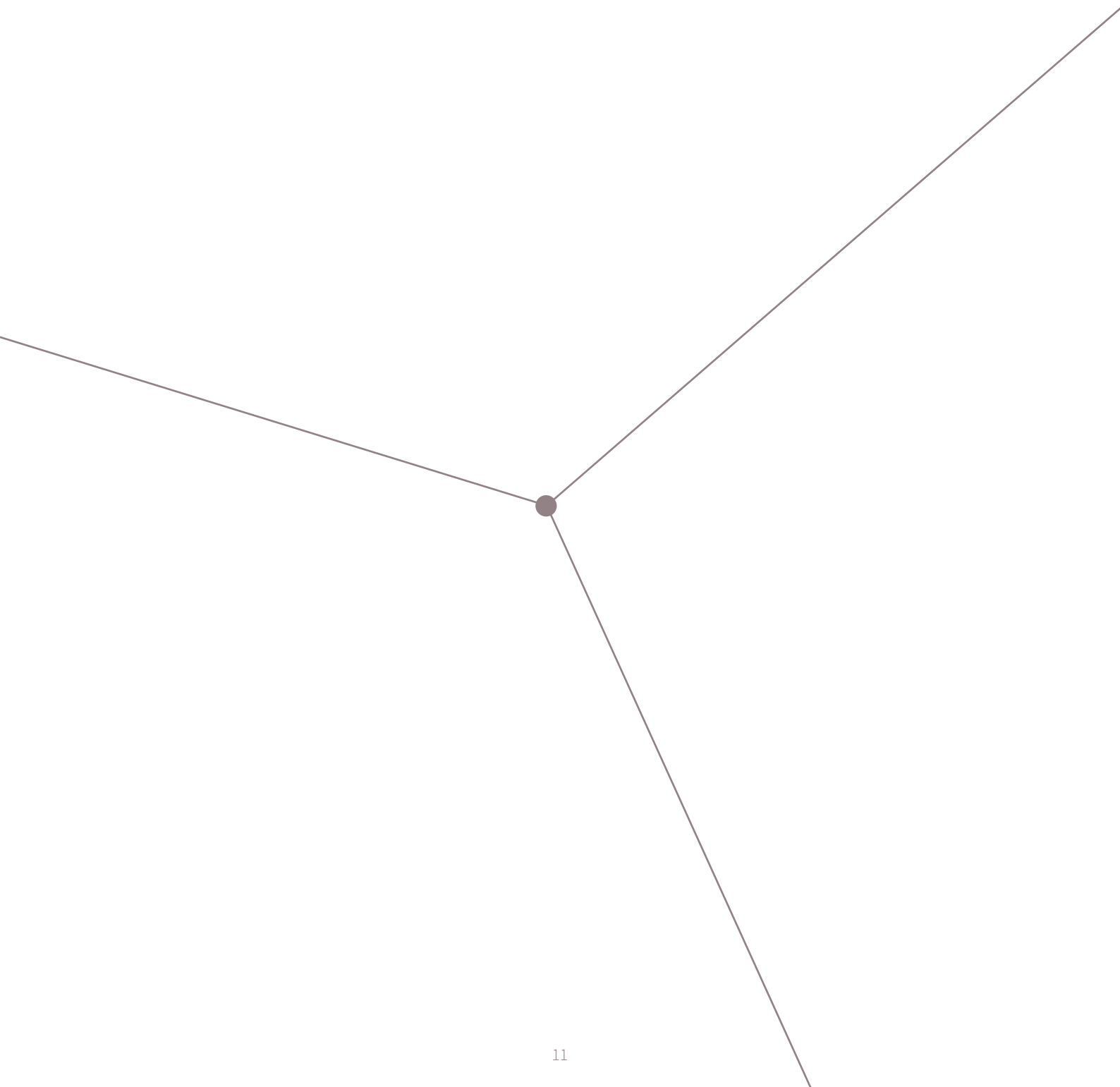
Suppliers are expected to ensure that all sensitive, confidential or proprietary information, including personal data/ information, as well as products are appropriately protected from unauthorized access, destruction, use, modification or disclosure, by appropriate physical and electronic security procedures throughout the whole supply chain.

Suppliers shall ensure that their business practices are in compliance with all applicable laws, directives, and regulations governing…

- privacy laws and regulations, when personal information of customers, employees or any other business partner is collected, stored, processed, transmitted or shared,
- intellectual property rights assertions, including protection against disclosure and cyber-security and information security,
- the import and export of parts, components, technical data or services, including compliance with sanctions or embargo legislation.

E. Business continuity planning

Our suppliers shall establish a robust and resilient supply chain and adequate processes to ensure uninterrupted product delivery and provision of services. We expect our suppliers to implement and administer appropriate plans or measures to ensure business continuity.



F. Management system processes

Our suppliers shall adopt or establish documented and adequate management system processes designed to ensure compliance with the present Supplier Code of Conduct and with all applicable laws, regulations, and standards to identify and mitigate related risks and to facilitate continuous improvement. Infineon Technologies expects a collaborative approach from our suppliers by providing support in investigating potential violations and mitigating detected violations. Our suppliers shall provide us with relevant information upon request.

Grievance Mechanisms – 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. All reports will be treated confidentially and are covered by a non-retaliation policy. Our suppliers shall also ensure that their employees are able to communicate and share openly grievances with management regarding working conditions and management practices without any fear of reprisal, intimidation or harassment. The grievance procedures provided shall be accessible and shall include the option to report anonymously where appropriate. Suppliers shall periodically provide workers with information and training on all grievance procedures.

Trainings – We expect our suppliers to conduct regular training measures to ensure compliance with applicable laws and regulations, human rights, and the standards laid out in the currently applicable version of our Supplier Code of Conduct. We expect our suppliers to provide such training to all relevant personnel, including personnel of its affiliated companies. Suppliers shall make the documentation of such training available to Infineon Technologies upon request.

If a supplier does not provide such training and/or is unable to provide appropriate training, the supplier shall align with Infineon Technologies to ensure the implementation of such training.

G. Verification of compliance

Our suppliers shall accept that we regularly assess whether or not our suppliers comply with the present Supplier Code of Conduct in its currently applicable version as well as our respective human rights and environment-related expectations in order to fulfil our obligations under the German Supply Chain Due Diligence Act (e.g. risk analysis) and all other global supply chain due diligence laws and regulations. We expect our suppliers to cooperate with Infineon Technologies in this regard.

Audits – Infineon Technologies, its subsidiaries, their customers and/or any third party authorized by Infineon Technologies or its subsidiary shall be entitled to conduct risk-based audits at our suppliers' premises and production sites and in accordance with applicable laws and regulations, in particular with regard to data protection laws. On our request, suppliers shall also make their best effort to facilitate the performance of audits at premises of their contractors and subcontractors.

Information rights – Infineon Technologies expects its suppliers to cooperate with us and provide us with relevant information and documents in accordance with applicable laws and regulations for the fulfilment of our obligations under applicable due diligence laws (e.g. the German Supply Chain Due Diligence Act). Suppliers shall in particular make information available about a significantly changed risk situation in their company or supply chain. Such significantly changed risk situations concern in particular changes in the supply chain of the products or services supplied or changes in the company structure, manufacturing or production process or management.

Significantly changed risk situations are only those which directly impact the relationship between Infineon Technologies and its suppliers.

H. Non-compliance with Supplier Code of Conduct

Supplier shall inform Infineon Technologies in writing without undue delay about any non-compliance with the requirements herein. In such cases, our suppliers shall immediately perform corrective actions required to ensure compliance. The corrective actions planned by suppliers and, upon Infineon Technologies' request, the status of their performance, shall be communicated by suppliers to Infineon Technologies in writing. If necessary, we will assist and cooperate with our suppliers with regard to the implementation of such corrective actions.

If suppliers do not cooperate to the extent required or do not (fully) implement appropriate corrective actions within a reasonable deadline set by us, we will be entitled to suspend performance of the business relationship, including cancellation of any outstanding Purchase Orders, or termination of the business relationship in serious cases. In cases of serious, persistent or repeated breaches, a deadline for the termination needs not to be set.

This section shall also apply in case of any reasonable suspicion of non-compliance with the requirements herein, provided that it is not acceptable for Infineon Technologies to continue performance of the business relationship and/or any outstanding Purchase Order.

Helpful links and further information

Please find below a list of selected links and information on related content.

› Infineon Business Conduct Guidelines
› Infineon Whistleblower Hotline
› International Bill of Human Rights
› Ten Principles of the UN Global Compact
› Fundamental ILO Conventions
› Code of Conduct of the Responsible Business Alliance
› Responsible Business Alliance Learning Academy
› OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas
› Minamata Convention
› Basel Convention
› POPs Convention
› German Supply Chain Due Diligence Act

In case of any questions about our Supplier Code of Conduct,
please contact Infineon Technologies at CSR@infineon.com.

www.infineon.com

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