

Our sustainability targets

| TARGETS FOR THE 2017 FISCAL YEAR | STATUS | DESCRIPTION |
|--|--------|---|
|  Business ethics Ensuring sustainable compliance structures at all sites. | ● | Sustainable compliance structures oriented towards IDW PS 980 standard are ensured via regularly occurring internal audits performed at the sites by the audit department. In addition, the responsible Compliance employees assess the state of local Compliance Management Systems, for example during the annual risk assessments. |
|  Human rights Introduction of a new modern whistleblower platform: in the past Infineon and former International Rectifier have been using two different platforms. | ● | The Infineon Integrity Line, a uniform new whistleblower hotline, has been in operation since December 2016. Both employees and external parties can submit reports in their native languages anywhere in the world. The menu interface is available in all the essential languages of the Infineon Group. Reports can be made either in written form or by telephone, of course anonymously, when desired. |
|  Human resources management Increasing the share of women in management positions to 15 percent by the 2020 fiscal year. Our long-term goal is a 20 percent share of women in management positions. | ① | We were able to increase the share of women in middle and upper management levels from 13.4 percent to 13.9 percent in 2017. All divisions, central functions and regions support this goal of 15 percent with individual measures and performance indicators. We remain dedicated to achieving our long-term objective of 20 percent. |
| Starting in the 2018 fiscal year, more than 80 percent of our employees will indicate in the “Great Place to Work” survey that “All in all, Infineon is a very good employer”. | ① | With an agreement ratio of 78 percent in the survey of 2016, we have improved by 3 percent since the last survey in 2013. The next survey will take place in the 2018 fiscal year. |
| At least 90 percent of all our managers (Senior Manager level with five or more direct employees and higher ¹) will conduct a leadership dialog with their employees within two years. | ○ | The leadership dialogs provide managers with structured feedback from their employees. This makes it possible for them to reflect on their own management behavior, to strengthen it and identify potential improvements. This improves collaboration both with and within the team. At present a share of approximately 77.3 percent (previous year: 74.2 percent) of managers has conducted their leadership dialogs within the last two years. Compared to the last fiscal year we were able to increase this share by 3.1 percent. The efforts initiated in order to increase this share will be continued in the coming fiscal year and will be supported with additional measures at global and local levels. |
|  Responsibility for our employees We will implement the standard OHSAS 18001 at two former International Rectifier sites and will include these sites in our multi-site certification. | ● | The OHSAS 18001 standard was implemented at our sites in Temecula (USA) and Tijuana (Mexico). Thus both sites have been included in the Infineon multi-site certificate. |

1 Due to the current integration activities, the Americas region has been exempted from the goal until the end of 2017 fiscal year.

| TARGETS FOR THE 2017 FISCAL YEAR | | STATUS | DESCRIPTION |
|---|--|--|--|
|  Environmental sustainability | Water management <p>Regardless of growing product complexity, our aim is that our specific water consumption does not exceed 8.5 liters per square centimeter manufactured wafer. The typically increasing complexity of our products requires an increase in the use of water in production. Therefore, this target is a challenge and a practical reference unit for the effectiveness of our measures aimed at sustainable use of water.</p> | ● | Our specific water consumption was below 8.5 liters per square centimeter manufactured wafer. |
| | Waste management <p>Regardless of growing product complexity, our aim is to keep the specific waste generation below 27.5 grams per square centimeter manufactured wafer. The typically increasing complexity of our products requires an increase in the use of raw materials and supplies. This also means an increase in the amount of waste generated. Therefore, this target is a challenge and a practical reference unit for the effectiveness of our measures aimed at waste reduction.</p> | ● | Our specific waste generation was below 27.5 grams per square centimeter manufactured wafer. |
| | Efficient energy management <p>Completion of projects and measures at our worldwide manufacturing sites which will save a total of 35 gigawatt hours of energy by the end of the 2017 fiscal year.</p> | ● | In the 2017 fiscal year we completed measures which saved an annual volume of 24.65 gigawatt hours of energy; considering the last three fiscal years, we achieved 59.31 gigawatt hours. |
| | Greenhouse gas emissions <p>PFC-relevant emissions will remain below the World Semiconductor Council target value of 2.2 tons of CO₂ equivalents per square meter of manufactured wafer surface. The challenge here is the constantly increasing complexity of our products and thus the associated increase in the number of process steps requiring the use of climate-relevant gases.</p> | ● | Our PFC-relevant emissions were below 2.2 tons CO ₂ equivalents per square meter manufactured wafer surface. |
|  Contribution through sustainable products <p>Updating of the Infineon CO₂ footprint as well as achievement of a ratio of CO₂ savings through our products in the use-phase compared to the emissions generated in manufacturing our products of approximately 1 to 30.</p> | ● | The CO ₂ footprint was updated. The proportion of CO ₂ savings by our products during their use-phase was by a factor of 1 to 41 higher than the corresponding emissions in manufacturing those products. | |
|  Our responsibility along the supply chain | <p>Integration of the conflict mineral activities in the Supplier Management Portal.</p> | ● | The Supplier Management Portal requests declarations on conflict minerals in the form of "Conflict Minerals Reporting Templates" (CMRT). |
| | <p>Maintaining a DRC conflict-free supply chain and conducting a complete renewed supplier evaluation with regard to the use of conflict minerals. Here the challenge is the dynamic development of the product portfolio and the resulting modified supplier topology.</p> | ● | A comprehensive supplier evaluation was conducted and the DRC conflict-free supply chain was maintained. |
|  Corporate citizenship <p>Introduction of an annual "Best Practice Sharing Workshop" with the local citizenship representatives.</p> | ● | Two corporate citizenship "Best Practice Sharing Workshops" were held in July 2017 with the participation of a total of over 50 people. Here the Infineon concepts and expectations in the area of corporate citizenship as well as planned process improvements were presented and discussed. | |

TARGETS FOR THE 2018 FISCAL YEAR



Business ethics

Scheduled revision of the web-based antitrust law training and registration of all employees with potential contact to competitors. The training program is mandatory for employees in sales, marketing and procurement areas as well as for all managers at the Senior Manager level or higher. We expect approximately 4,800 employees to participate.



Human rights

Evaluation of possible risks in the area of human rights in the top five countries in our supply chain, based on publically available information, by the end of the 2018 fiscal year.



Human resources management

Increasing the share of women in management positions to 15 percent by the 2020 fiscal year. Our long-term goal is a 20 percent share of women in management positions.

Starting in the 2018 fiscal year more than 80 percent of our employees will indicate in the “Great Place to Work” survey that “All in all, Infineon is a very good employer”.

At least 90 percent of all our managers (Senior Manager level with five or more direct employees and higher) will conduct a leadership dialog with their employees within two years. The leadership dialogs provide managers with structured feedback from their employees. This makes it possible for them to reflect on their own management behavior, to strengthen it and identify potential improvements. This improves collaboration both with and within the team.



Responsibility for our employees

Implementation of a behavior-based safety program by the end of the 2020 fiscal year at all manufacturing sites included in IMPRES and at the corporate headquarters Campeon (Germany), in addition to measures already in existence.



Environmental sustainability

Water management

Due to the increasing complexity of our products the use of water in manufacturing increases too. Regardless of this growing product complexity, our water consumption will nevertheless remain under 8.5 liters per square centimeter manufactured wafer.

Implementation of a “Best Practice Sharing Program” for the water management activities of all manufacturing sites included in IMPRES and of the corporate headquarters Campeon (Germany) in the 2018 fiscal year.

Identification and assessment of major suppliers located in areas subject to water shortages in the 2018 fiscal year.

TARGETS FOR THE 2018 FISCAL YEAR



Environmental sustainability

Waste management

Regardless of growing product complexity, our aim is to keep the specific waste generation below 27.5 grams per square centimeter manufactured wafer. The typically increasing complexity of our products requires an increase in the use of raw materials and supplies. This also means an increase in the amount of waste generated. Therefore, this target is a challenge and a practical reference unit for the effectiveness of our measures aimed at waste reduction.

Implementation of measures at the frontend sites in order to save 300 tons of the solvent PGMEA by the end of the 2020 fiscal year.

Efficient energy management

Implementation of projects and measures by the end of 2020 fiscal year for increasing energy efficiency, totaling annual potential energy savings of 25 gigawatt hours.

Completion of an energy assessment of the data centers at all manufacturing sites included in IMPRES and of the corporate headquarters Campeon (Germany) in order to identify additional possible energy efficiency potentials by the end of the 2019 fiscal year.

Greenhouse gas emissions

In 2018 fiscal year the PFC-relevant emissions of the frontend sites will remain below the World Semiconductor Council target value of 2.2 tons of CO₂ equivalents per square meter manufactured wafer surface. The challenge here is the constantly increasing complexity of our products and thus the associated increase in the number of process steps requiring the use of climate-relevant gases.

Performance of a comprehensive efficiency analysis (ABC analysis) of our PFC abatement concept at all frontend sites by the end of the 2019 fiscal year in order to identify additional possible optimization potentials.



Contribution through sustainable products

Revision of the concept for calculation of the Infineon CO₂ footprint taking new standards into account, for example WBCSD "Addressing the Avoided Emissions Challenge".

Updating of the Infineon CO₂ footprint as well as achievement of a ratio of CO₂ savings through our products in the use-phase compared to the emissions generated in manufacturing our products of approximately 1 to 40.



Our responsibility along the supply chain

Maintaining a DRC conflict-free supply chain and conducting a renewed evaluation with regard to the use of conflict minerals for 100 percent of the relevant suppliers. Here the dynamic development of the product portfolio and the resulting modification in the supplier topology, as well as the increase of customer-specific requirements present a substantial challenge.



Corporate citizenship

Definition of a worldwide methodology for the evaluation of the impact of our corporate citizenship activities by the end of the 2018 fiscal year.