# Our sustainability targets

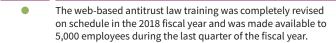
# TARGETS FOR THE 2018 FISCAL YEAR

# STATUS DESCRIPTION



## **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. An evaluation of the top five countries in our supply chain with regard to possible risks of human rights violations was carried out based on publically available indices. Among others, the following indices were applied: "Democracy Index", "Human Development Index" and "Corruption Perceptions Index". In accordance with these indices, overall the top five countries showed no substantial risks in the area of human rights.



### **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.



With an agreement ratio of 81 percent to the statement "All in all, Infineon is a very good employer" in the survey from the 2018 fiscal year, we have improved by 3 percent since the last survey in the 2016 fiscal year.

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 81 percent (previous year: 77.3 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 3.7 percentage points. 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.



# Protection of 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.

 The "Golden Rules of Safety" were developed in the 2018 fiscal year. These rules describe the seven most important behavioral rules of conduct for Infineon in the area of occupational safety.

Target achieved

In progress

O Target not yet achieved

TARGETS FOR THE 2018 FISCAL YEAR	STATUS	DESCRIPTION
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.	•	Our specific water consumption was below 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.	•	A "Best Practice Sharing Program" was conducted for water management activities.
Identification and assessment of major suppliers located in areas subject to water shortages in the 2018 fiscal year.	•	All major suppliers located in areas subject to water shortages were identified and evaluated.
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.	•	Our specific waste generation was below 27.5 grams per square centimeter manufactured wafer.
Implementation of measures at the frontend sites in order to save 300 tons of the solvent Propylenglycolmonomethyletheracetate (PGMEA) by the end of the 2020 fiscal year.	•	In the 2018 fiscal year 259.45 tons of the solvent PGMEA were recovered by distillation of waste containing PGMEA and were reused in manufacturing. This corresponds to 86.5 percent target achievement.
Efficient energy management		
Implementation of projects and measures by the end of the 2020 fiscal year for increasing energy efficiency, totaling annual potential energy savings of 25 gigawatt hours.	•	In the 2018 fiscal year we completed measures which saved 23.4 gigawatt hours of energy.
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 potential by the end of the 2019 fiscal year.	•	In the 2018 fiscal year the evaluation criteria were defined and the analysis was started. This evaluation has already been conducted for corporate headquarters Campeon (Germany).
Greenhouse gas emissions		
In the 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 $\rm CO_2$ 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.	•	Our PFC-relevant emissions were below 2.2 tons CO₂ equivalents per square meter manufactured wafer surface.
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 potential.	•	A draft analysis model was created in the 2018 fiscal year. In the next steps this model will be evaluated on a cross-site basis and harmonized with the existing procedures.



## TARGETS FOR THE 2018 FISCAL YEAR STATUS DESCRIPTION Contribution through sustainable products Revision of the concept for calculation of the Infineon CO<sub>2</sub> foot-The concept of the calculation method for the Infineon CO<sub>2</sub> print taking new standards into account, for example, WBCSD balance was reviewed in the context of the "Greenhouse Gas "Addressing the Avoided Emissions Challenge". Protocol", the "GRI Standard" 305 and other CO<sub>2</sub> balance standards. The highest possible degree of comparability with the results of previous years was ensured. Updating of the Infineon CO<sub>2</sub> footprint as well as achievement The CO<sub>2</sub> footprint was updated. The proportion of CO<sub>2</sub> savings of a ratio of CO<sub>2</sub> savings through our products in the use-phase by our products during their use-phase was by the factor 38 compared to the emissions generated in manufacturing our higher than the corresponding emissions in manufacturing those products. products of approximately 40 to 1. Our responsibility along the supply chain Maintaining a DRC<sup>1</sup> conflict-free supply chain and conducting A comprehensive supplier evaluation was conducted and the a renewed evaluation with regard to the use of conflict minerals DRC conflict-free supply chain was maintained. 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 A worldwide methodology for evaluating the impact of our impact of our corporate citizenship activities by the end of the corporate citizenship activities was defined. In the process three analysis criteria were identified: focus, form of the involvement 2018 fiscal year. and region. The focus area "Education for Future Generations"

was considered in detail.

# TARGETS FOR THE 2019 FISCAL YEAR



# **Business ethics**

On-schedule revision of the web-based training on the Business Conduct Guidelines in the 2019 fiscal year. All employees worldwide are required to complete the training. The participation of our employees will be ensured by means of an automated reminder system and escalation process to the manager.



### Human rights

Review of the supply chain assessment method in terms of sustainability as part of continuous improvement. Therefore, standardized software solutions available on the market will be evaluated in the 2019 fiscal year based on sustainability criteria. The evaluation criteria will contain among other things internationally valid human rights as a focus area.



### 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. This target is to be achieved by developing division-specific targets and measures, which will be inspected on a regular basis by the responsible management groups and by the Management Board. Another measure is increasing the internal visibility of talented females.

The currently existing global target of 80 percent overall employee satisfaction will remain unchanged for the time being. The measures for achieving this goal include in particular the further development of leadership skills as well as ensuring balanced workloads.

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. The measures for achieving this target include regular monitoring of the completion of the leadership dialog and the training of internal or external moderators for the leadership dialog.



# Protection of 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. Here we launched communication of the "Golden Rules of Safety" in the 2018 fiscal year. Additional supporting information materials will be developed in the 2019 fiscal year and made available to the sites.

# TARGETS FOR THE 2019 FISCAL YEAR



### 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. The measures for achieving this target include regularly occurring exchange between the sites for identification and realization of potential improvements.

# 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. This target is to be achieved in particular through regularly occurring exchange between the sites for identification and implementation of potential improvements.

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. This target is to be achieved primarily through the distillation of waste containing PGMEA by external recycling contractors and through the reuse of the recovered PGMEA in manufacturing.

# Efficient energy management

Implementation of projects and measures by the end of the 2020 fiscal year for increasing energy efficiency, totaling annual potential energy savings of 25 gigawatt hours. The realization of site-specific measures in the area of infrastructure and manufacturing will support the achievement of this target.

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 potential by the end of the 2019 fiscal year. The analysis developed will be conducted at the sites included in IMPRES.

# Greenhouse gas emissions

In the 2019 fiscal year, the PFC-relevant emissions of the frontend sites will remain below the World Semiconductor Council target value of 2.2 tons of CO<sub>2</sub> 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. Measures for achieving this target include smart abatement concepts as well as the use of alternative gases with higher utilization rates and lower greenhouse potential, where technically possible and economically feasible.

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 potential.

# TARGETS FOR THE 2019 FISCAL YEAR



# Contribution through sustainable products

Updating of the Infineon CO<sub>2</sub> footprint as well as achievement of a ratio of CO<sub>2</sub> savings through our products in the use-phase compared to the emissions generated in manufacturing our products of at least 30 to 1.



# 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 significant challenge.

Review of the supply chain assessment method in terms of sustainability as part of continuous improvement. Therefore, standardized software solutions available on the market will be evaluated in the 2019 fiscal year based on sustainability criteria.



# Corporate citizenship

Application of the methodology defined in the 2018 fiscal year for evaluating the impact of our corporate citizenship activities by regularly occurring exchange among the sites. The evaluation for previous years will also be integrated in order to enable derivation of a trend.