

# SUSTAINABILITY AT INFINEON

In addition to the statutory audit of the Group Management Report, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, has provided independent assurance (“limited assurance”) regarding the sustainability performance information provided in this chapter in accordance with the International Standard for Assurance Engagements 3000 and the International Standard on Assurance Engagements 3410, the pertinent standards for assuring sustainability information. Further information, including the independent assurance report issued, can be found in the Corporate Social Responsibility section of Infineon website.

@ [www.infineon.com/csr\\_reporting](http://www.infineon.com/csr_reporting)

We understand Corporate Social Responsibility (CSR) as our voluntary responsibility towards society, both internationally and locally. Our commitment is based on compliance with current legal requirements, the ten Principles of the UN Global Compact as well as our understanding of sustainability – the symbiosis between economy, ecology and social engagement. Based on these principles, we have identified six fields of activity:

G 40

## Corporate Social Responsibility



**P** see the chapter “Awards”, page 110 f.

In 2014, Infineon again qualified to be listed in key sustainability indices, which assess companies according to environmental, social and governance criteria. Among other indices, Infineon is listed in the “Dow Jones Sustainability™ Europe Index”, the “STOXX® Global ESG Leaders Indices” and the “FTSE4Good Indices”. Furthermore, in the 2014 fiscal year Infineon qualified for inclusion in the Sustainability Yearbook for the fourth consecutive time.

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



**FTSE4Good**

Member 2014/2015  
**STOXX**  
ESG LEADERS INDICES

## Materiality analysis and stakeholder engagement

In our materiality analysis we evaluate the expectations and requirements of our internal and external stakeholders in the field of CSR in various topics contained in the six fields of activity described above. We analyzed 19 topics in accordance with the Sustainability Reporting Guidelines set out by the Global Reporting Initiative GRI 3.1 with regard to their relevance for our business model. In the course of this process, we took into account factors such as the requirements of the capital market, laws and regulations, media and trend analyses, specific studies for the semiconductor industry and also internal evaluations.

As a result of our analysis we have prioritized the following topics as material: “Economic performance”, “Energy”, “Talent attraction and retention”, “Health and occupational safety”, “Emissions, wastewater and waste” and “Corporate Citizenship”. Infineon has been addressing these topics for many years. The result of the materiality analysis is, therefore, a confirmation of our strategy to date.

Based on our continuous improvement approach, we identified and implemented further measures, such as our new framework for corporate citizenship as well as our worldwide reporting of information and performance indicators in the field of sustainability.

With the adaptation of our sustainability reporting in line with the Sustainability Reporting Guidelines set out by the Global Reporting Initiative GRI 4, in future we will perform our materiality analysis on the basis of these guidelines.

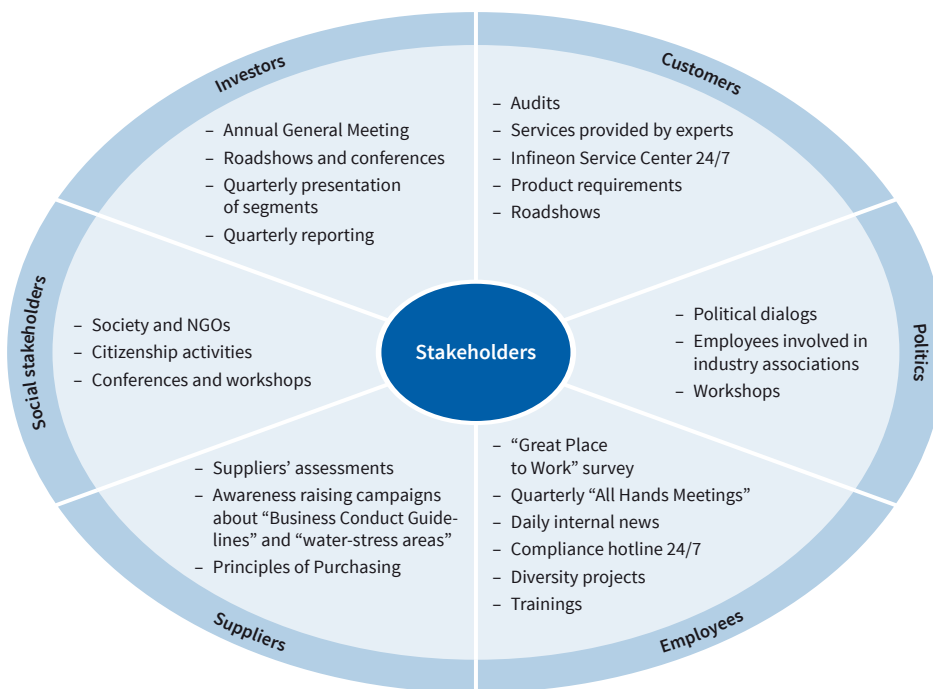
### Materiality analysis

#### Target for the 2015 fiscal year

- Updating and enhancement of our materiality analysis with special consideration of GRI 4.

G 41

### Stakeholders



As part of our continuous development, in addition to the materiality analysis, we maintain a sustained dialog with our stakeholders, which is of primary importance in order to understand their expectations. The numerous sectors and departments of Infineon utilize various channels of communication, engaging in conferences, forums, associations and surveys with the aim of fostering targeted communication with the respective stakeholder groups.

We give due consideration to the expectations of our stakeholders in the definition of our strategy and leverage them to identify possible improvement measures and to focus our reporting.

Sustainability reporting

Target achievement and summary of results in the 2014 fiscal year

Targets achieved:

- Independent verification “with limited assurance” conducted by an accounting firm.
- Implementation of a status analysis and evaluation of GRI 4 requirements.



Occupational safety

Target achievement and summary of results in the 2014 fiscal year

Target achieved:

- The reporting of accidents was done in accordance with the GRI definition of the Injury Rate.



Experts worldwide carried out 45,443 hours for training in the areas of occupational safety and fire prevention.

45,443 hours

Target for the 2015 fiscal year

- Our target is to maintain an Injury Rate below 0.4 (reported in accordance with the GRI definition).

IR < 0.4

Enhancing sustainability reporting

Transparency is becoming an increasingly important factor in the reporting of sustainability information. With our chapter “Sustainability at Infineon”, which is reported under GRI 3.1, as well as our revised sustainability website, we are complying with these increasingly stringent requirements.

Responsibility for our employees

One of our primary objectives is to create a safe working environment. Our approach in the fields of occupational safety and health protection is based on the principle of prevention.

Our occupational safety and health management system has been certified in accordance with OHSAS 18001 standard at all of our main production sites as well as at our corporate headquarters, and is designed to ensure that the required measures are taken to minimize the risks in the working environment that could endanger our employees.

Our worldwide experts in the areas of occupational safety and health protection as well as fire prevention invested 45,443 hours in training and further education measures during the 2014 fiscal year.

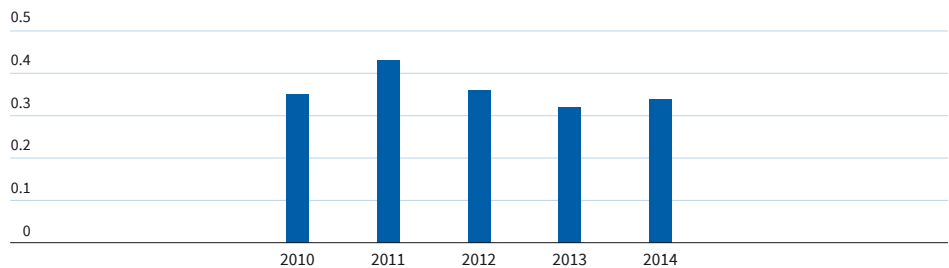
Furthermore, our management and employees were informed and sensitized to the topic of occupational safety through regular training and seminars.

The recording and evaluation of work-related accident figures in the course of our data collection process is performed in accordance with the GRI requirements on the basis of the standardized Injury Rate (IR) and the Lost Day Rate (LDR). All work-related accidents that have led to more than one lost day have been taken into account.

Our low Injury Rate of 0.34 and the low Lost Day Rate of 4.20 in the 2014 fiscal year are presented in graphs 42 and 43:

G 42

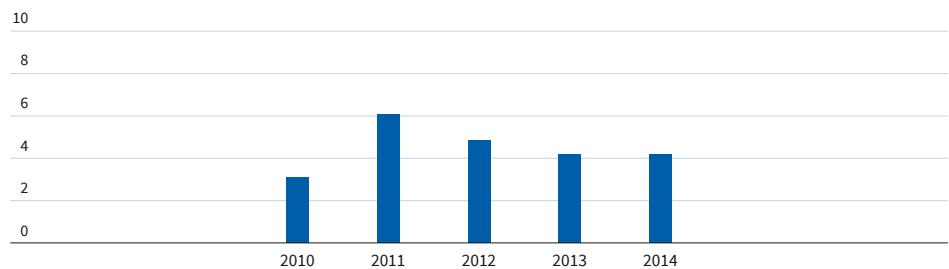
Injury Rate (IR)<sup>1</sup>



<sup>1</sup> The Injury Rate is calculated as follows: total number of injuries/total hours worked x 200,000. Holidays and public holidays are included in the working hours.

G 43

Lost Day Rate (LDR)<sup>1</sup>



<sup>1</sup> The Lost Day Rate is calculated as follows: total number of lost days/total hours worked x 200,000. Holidays and public holidays are included in the working hours.

### Environmental sustainability in our manufacturing

Our global management system IMPRES (Infineon Integrated Management Program for Environment, Energy, Safety and Health) integrates targets and processes relating to ecological sustainability (including energy management) as well as occupational safety and health protection. IMPRES has been certified in accordance with ISO 14001, OHSAS 18001 worldwide. Additionally it has been certified in accordance with ISO 50001 energy management standard at our main European manufacturing sites as well as our Campeon corporate headquarters.

### Sustainable use of resources

The growing scarcity of natural resources is one of today's greatest global challenges. Optimizing efficiency in the use of resources offers both ecological and economic benefits and is a key component in our sustainability strategy worldwide.

### Water management

Efficient water management is an integral part of our environmental management. We emphasized the high priority of this topic in the 2014 fiscal year by endorsing the UN's "CEO Water Mandate". This is a special initiative of the UN Secretary-General that aims to promote the sustainable use of water on a global scale.

Infineon's Communication on Progress on the UN's "CEO Water Mandate" has been published on our website.

@ [www.infineon.com/csr\\_reporting](http://www.infineon.com/csr_reporting)

Our sustainable water management system in place at our manufacturing sites ensures the efficient use of water resources.

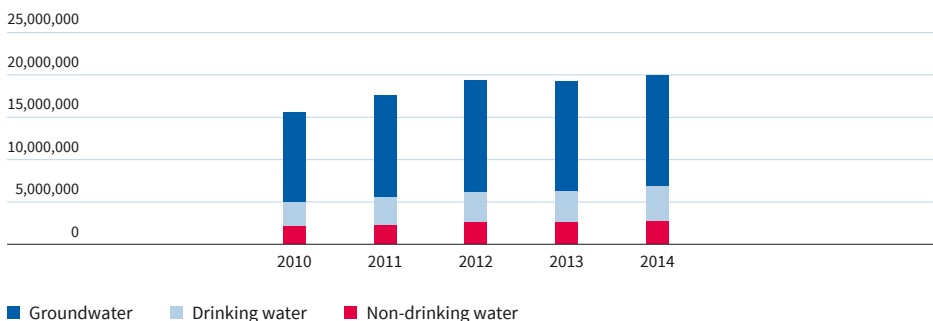
According to the definition of the WBCSD (World Business Council for Sustainable Development), a water shortage exists when the total volume of renewable water resources available in a given area per capita is lower than 1,700 cubic meters per year. Seen in this light, only one of Infineon's manufacturing sites, that is Singapore, is located in an area affected by water shortages. The Singapore site accommodates mainly office and testing areas with low levels of water demand, which means only 0.62 percent of the entire volume of water consumed by Infineon during the 2014 fiscal year. Nevertheless, water efficiency measures have been undertaken at the site, such as the installation of water-saving systems, in order to guarantee the efficient use of water in the long term. As a result of our efforts, one of the buildings at Infineon's Singapore site was awarded the "Water Efficient Building" certificate.

Our entire water consumption for frontend and backend production, including our Campeon corporate headquarters, totaled 19,897,515 cubic meters (m<sup>3</sup>) in the 2014 fiscal year. We obtain our water from various sources, as shown in the graph 44.

G 44

#### Water consumption

in cubic meters



As a global organization of semiconductor manufacturers, the WSC (World Semiconductor Council) has defined water consumption in liters per square centimeter manufactured wafer, as an internationally recognized reference parameter for water management. In calendar year 2013, Infineon's frontend manufacturing sites consumed approximately 20 percent less water than the global average to manufacture one square centimeter of wafer.

G 45

#### Standardized water consumption

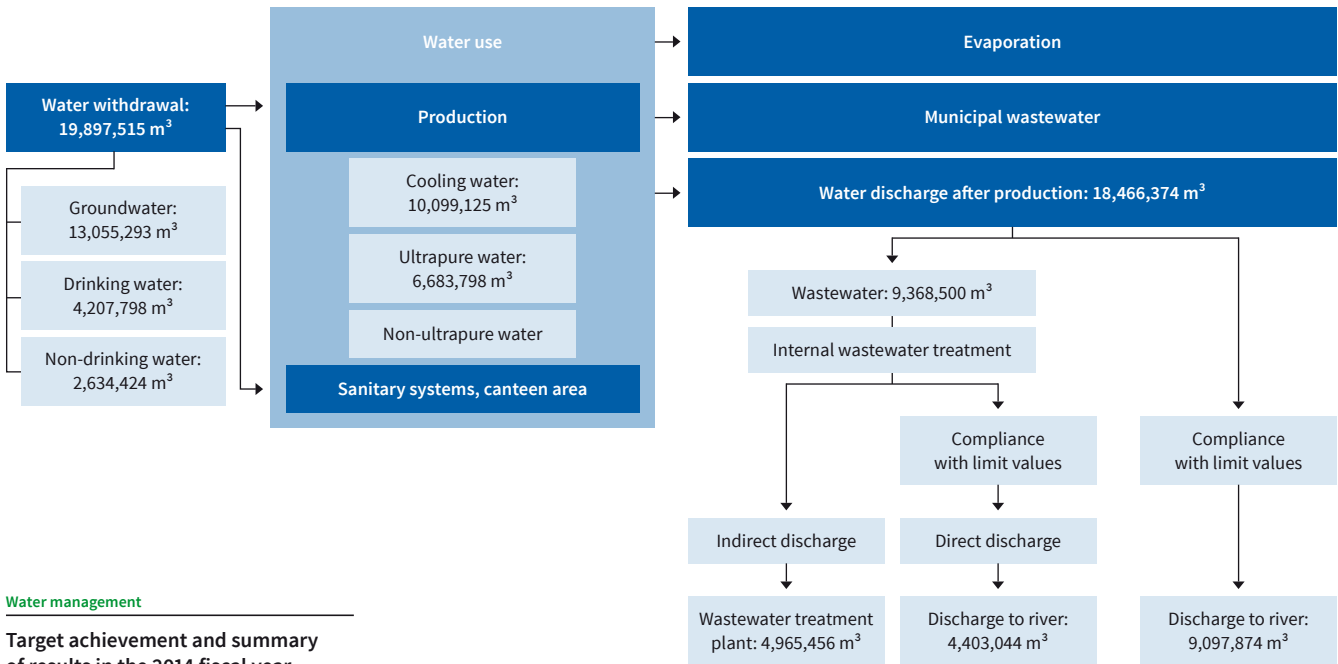
per square centimeter manufactured wafer



<sup>1</sup> Frontend sites worldwide

G 46

**Water balance**



**Water management**

**Target achievement and summary of results in the 2014 fiscal year**

**Target achieved:**

- Infineon consumed approximately 20 percent less water than the WSC global average to manufacture one square centimeter of wafer.



–20%

9.12 percent of ultrapure water is either recycled or reused in other processes.

**Targets for the 2015 fiscal year**

- Regardless of growing product complexity, our aim is to keep our water consumption per square centimeter manufactured wafer below the WSC specific water consumption value.
- To establish and revise the website for publishing the Communication on Progress to the UN's "CEO Water Mandate".

The comparatively low specific water consumption at Infineon is the result of our consistent efforts in the area of water management. The schematic diagram for water management at Infineon in the 2014 fiscal year is shown in the chart 46.

Infineon sources water either from its own supply facilities (such as groundwater wells) or from local suppliers (either drinking or non-drinking water).

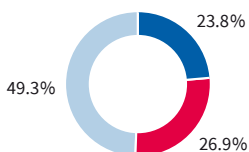
If water fails to meet our purity standards, then it is treated and afterwards used in our manufacturing processes, either for cooling purposes, or to produce ultrapure production water. In some cases, water can be re-used several times. For example, cooling water can also be used to produce ultrapure water. Moreover, ultrapure water for manufacturing purposes can be reused in some cases before being discharged.

609,266 cubic meters (9.12 percent) of ultrapure water and 971,866 cubic meters (10.37 percent) of wastewater were reused during the period under report.

If production water is no longer usable, it is either directly or indirectly discharged, depending on its degree of purity, local conditions and official permissions. The percentages of water discharged are shown in chart 47.

G 47

**Water discharges 2014**



- Wastewater - direct discharge
- Wastewater - indirect discharge
- Other water discharges (excluding wastewater)

## Energy, climate protection and carbon footprint

### Efficient energy management

Energy is used mainly in the form of electricity in all stages of semiconductor manufacturing. Primary energy sources, such as oil and gas, play only a minor part.

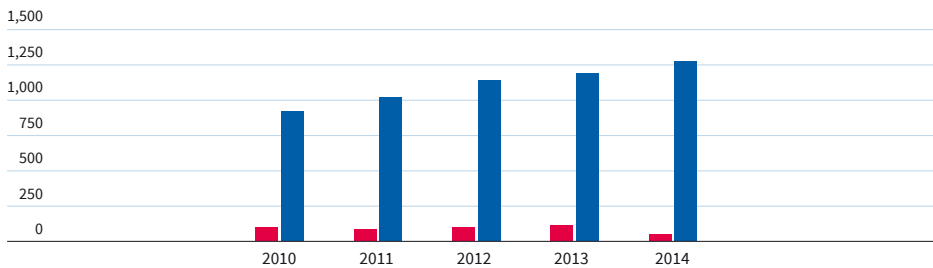
In the 2014 fiscal year, Infineon's indirect energy consumption worldwide totaled around 1,274 gigawatt hours (GWh) and consisted of the indirect energy sources electricity (91.50 percent) and district heating (8.50 percent).

Infineon consumes the majority of its energy in its frontend manufacturing sites. There, energy is needed to operate the production equipment, and also to maintain highly sophisticated physical conditions, such as the particularly demanding stable climatic conditions in Infineon's cleanrooms. Due to their nature, backend processes require far less energy than frontend processes, followed by the development and office sites, which consume the smallest percentage.

G 48

### Energy consumption

in gigawatt hours



■ Direct energy consumption ■ Indirect energy consumption

Direct energy consumption in the 2014 fiscal year is shown in the table "Direct energy sources".

Based on the relevance of the total amount of energy consumed by frontend manufacturing sites and local requirements, we have implemented the systematic of the energy management system standard ISO 50001 at our main manufacturing sites. We are continually analyzing options to further improve energy efficiency. Improving energy efficiency means reducing specific energy consumption, this is the energy consumed per manufactured production unit.

According to WSC definitions, the specific energy consumption used to measure energy efficiency in frontend manufacturing, is defined as energy consumption per square centimeter manufactured wafer. Based on this definition, the WSC provides companies every year with an international value, which serves as a benchmark.

In calendar year 2013, Infineon's frontend manufacturing sites consumed approximately 32 percent less electricity per square centimeter manufactured wafer than the worldwide average of the semiconductor industry in accordance with WSC.

### Climate protection – greenhouse gases

The semiconductor industry uses greenhouse gases in the form of so-called "Perfluorinated Compounds" (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

These gases are primarily used in the etching processes needed to structure wafers as well as for the cleaning of production equipment and cannot be substituted.

G 49

### Standardized electricity consumption

per square centimeter manufactured wafer



<sup>1</sup> Frontend sites worldwide

Direct Energy Sources	GWh
Natural gas	37
Other	11

### Energy efficiency

#### Target achievement and summary of results in the 2014 fiscal year

- Target partially achieved and the four largest European manufacturing sites as well as our corporate headquarters were successfully certified in accordance with ISO 50001 standard. ✓

#### Target for the 2015 fiscal year

- Our target is to implement projects and measures at our frontend manufacturing sites worldwide which are capable of saving a total of 35 GWh of energy within the next three years.

35 GWh

**PFCs emissions**

**Target achievement and summary of results in the 2014 fiscal year**

Due to technical changes in processes, the target level for the 2014 fiscal year was not met. Corresponding reduction measures have already been implemented.

**Target for the 2015 fiscal year**

- Our target is to keep total PFCs emissions below 200,000 tons of CO<sub>2</sub> equivalents in the 2015 fiscal year.

**< 200,000 tons**

As part of its commitment to climate protection, Infineon made an early start in developing particularly efficient processes to reduce the use of these greenhouse gases to the absolute minimum technically required. Infineon mainly achieves this reduction by increasing process efficiency and optimizing abatement concepts. Moreover, in some cases it is possible to use alternate gases with less impact on the climate. The aforementioned measures contribute towards minimizing the emissions caused by greenhouse gases.

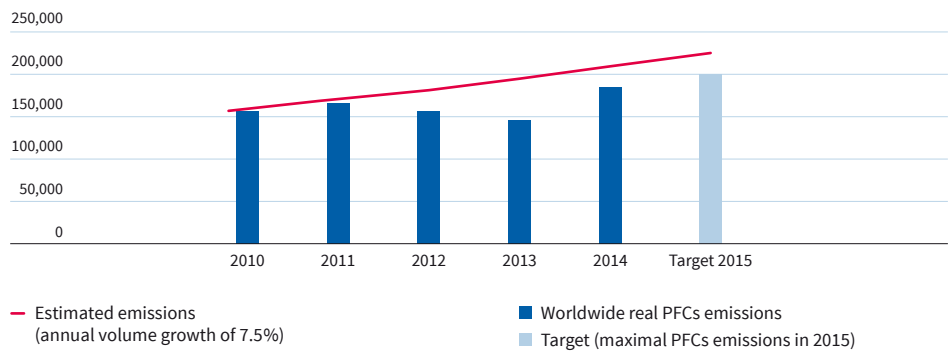
In the 2014 fiscal year, Infineon’s PFCs emissions totaled 184,864 tons of CO<sub>2</sub> equivalents. Due to technical changes in processes the emissions were 27.26 percent higher than the emissions of the previous year. Corresponding reduction measures have already been implemented.

However, the continually growing complexity of semiconductor products entails a growing number of process steps, which in turn, may lead to an increased use of greenhouse gases. Nevertheless, Infineon is adhering to its total PFCs emissions target – to not exceed 200,000 tons of CO<sub>2</sub> equivalents in the 2015 fiscal year.

**G 50**

**PFCs emissions**

in tons CO<sub>2</sub> equivalents



Furthermore, we will continue to report our PFCs emissions at German and European levels within the framework of the semiconductor industry’s voluntary agreement.

**Carbon footprint**

Our products and innovations are the key to energy-efficient end products and applications, and thereby make an important contribution towards minimizing carbon footprint.

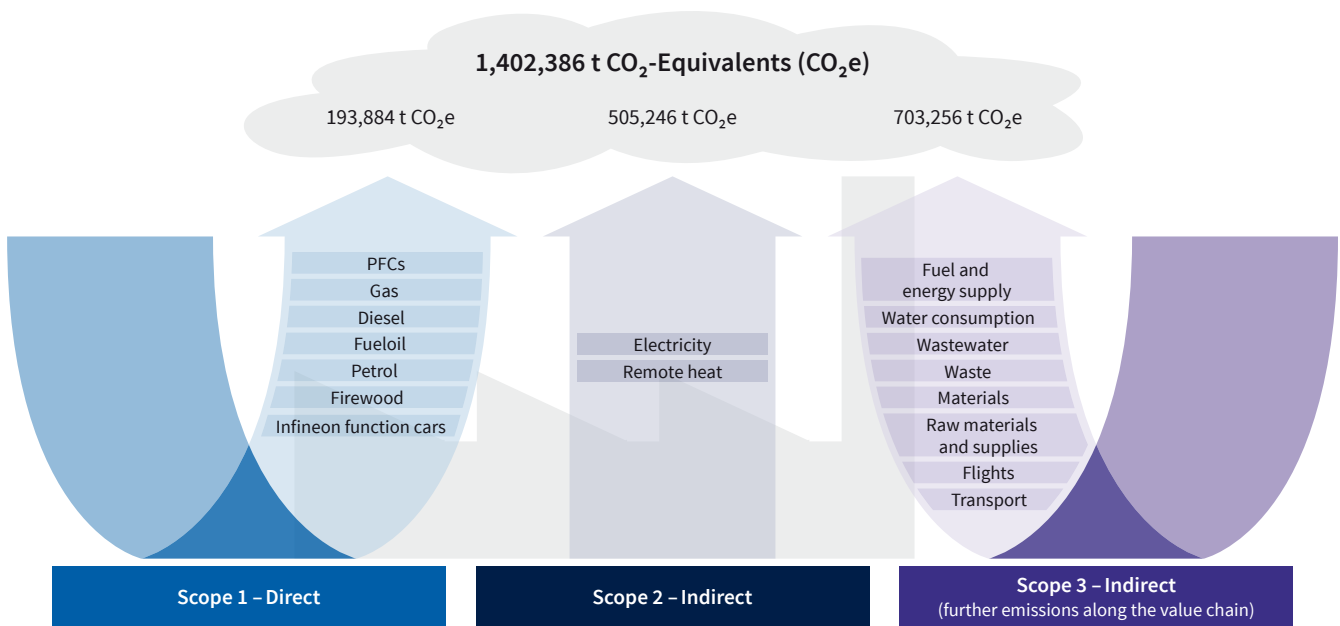
Complex processes and a multitude of influencing factors need to be considered when drawing up an entity’s carbon footprint. By nature, carbon footprint calculations are subject to a certain degree of imprecision. However, in order to further minimize the resulting imprecision, Infineon has continued to refine its approach during the 2014 fiscal year.

The calculation of CO<sub>2</sub> emissions is based on the ISO 14000 standard, which is concretized by the PAS (Public Available Specification) 2050 guideline issued by the BSI (British Standards Institution) for determining the ecological impact of various products, as well as by the principles of the Greenhouse Gas Protocol for determining carbon footprints (relevance, completeness, consistency, transparency and accuracy). In calculating Infineon's carbon footprint, we have considered the first three of the five relevant steps in accordance with PAS 2050. These steps embrace the provision of the raw materials and supplies as well as processing and finally distribution to customers. In the 2014 fiscal year we also included in our calculation Infineon function cars as well as business flights.

The following emissions and immission have been included in the calculation:

G51

Calculation of the CO<sub>2</sub>-Burden



We base the calculation of our carbon footprint on the classification of direct and indirect emissions set out in the “Greenhouse Gas Protocol” in Scope 1, 2 and 3. Accordingly, “Scope 1” includes our PFC emissions, direct energy consumption and function cars. “Scope 2” emissions derived from our electricity consumption and heating and “Scope 3” comprises other emissions generated throughout the entire value-added chain.

Including the impact of all significant sources of emission relevant from our perspective, taking materials used and logistics into consideration, Infineon's manufacturing sites accounted for a carbon footprint of approximately 1.4 million tons of CO<sub>2</sub> equivalents in the 2014 fiscal year. This figure comprises “Scope 1 emissions” amounting to 193,884 tons of CO<sub>2</sub> equivalents, “Scope 2 emissions” of 505,246 tons of CO<sub>2</sub> equivalents and “Scope 3 emissions” of 703,256 tons of CO<sub>2</sub> equivalents. These emissions differ only slightly from those recorded in the 2014 fiscal year. The main reason for this difference were changes in production volumes, changes in technical processes and the consideration of additional factors such as test equipment and business flights (6,748 tons of CO<sub>2</sub> equivalents).



**P** see page 28 f.

**Ecological net benefit**

**Target achievement and summary of results in the 2014 fiscal year**

**Target achieved:**

- The CO<sub>2</sub> saved by Infineon products included in end products over their use-phase was 10 times higher than the CO<sub>2</sub> emissions generated while manufacturing those products.



We refined our methodology for the carbon footprint calculation and included function cars as well as business flights in it.

**Target for the 2015 fiscal year**

- The CO<sub>2</sub> saved by Infineon products included in end products over their use-phase should be at least 10 times higher than the CO<sub>2</sub> emissions generated while manufacturing those products.

The products manufactured by Infineon are used in a broad range of applications and contribute towards improving the ecological efficiency of end products and applications during their use-phase. For example, our high-performance products make it possible to operate large-scale wind farms and photovoltaic facilities. They are also used in industrial applications, such as drive systems and motor control units and make it possible, for instance, to reduce power losses.

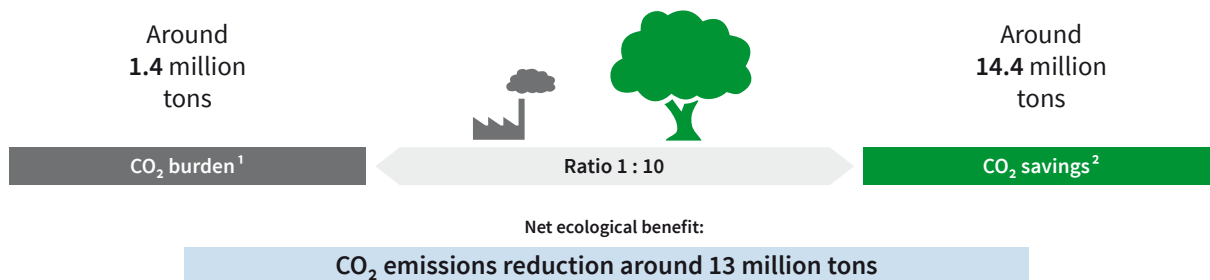
Our products are also widely used in the automotive industry. Infineon’s innovative semiconductor solutions contribute towards sustainable mobility by reducing fuel consumption, thereby reducing emissions and by optimizing safety. In addition to their application in conventional combustion engines, they are also key components in the field of control engineering for hybrid and electric vehicles as well as for small electronic vehicles including e-bikes and e-motorcycles.

Products manufactured by Infineon, alone in the fields of automotive electronics, industrial drive systems, servers, lighting and photovoltaics as well as wind power, enabled approximately 14.4 million tons of CO<sub>2</sub> equivalents savings during their use-phase.

Therefore, with its products and innovations and coupled with an efficient production, Infineon achieved a positive net benefit round about 13 million tons of CO<sub>2</sub>.

G52

**Carbon footprint**



1 This figure considers manufacturing, transportation, function cars, flights, materials, chemicals, waste/waste water, direct emissions, energy consumption, waste, etc. and is based on internally collected data and externally available conversion factors. All data relates to the 2014 fiscal year.

2 This figure is based on internally established criteria, which are explained in the explanatory notes. The figure relates to the calendar year 2013 and considers the following fields of application: automotive, lamp ballast control, PC power supply, renewable energy (wind, photovoltaic) and rives. CO<sub>2</sub> savings are calculated on the basis of potential savings of technologies in which semiconductors are used. The CO<sub>2</sub> savings are allocated on the basis of Infineon’s market share, semiconductor content and lifetime of the technologies concerned, based on internal and external experts’ estimations. Despite CO<sub>2</sub> footprint calculations are subject to imprecision due to the complex issues involved, the results are nevertheless clear.

### Waste management

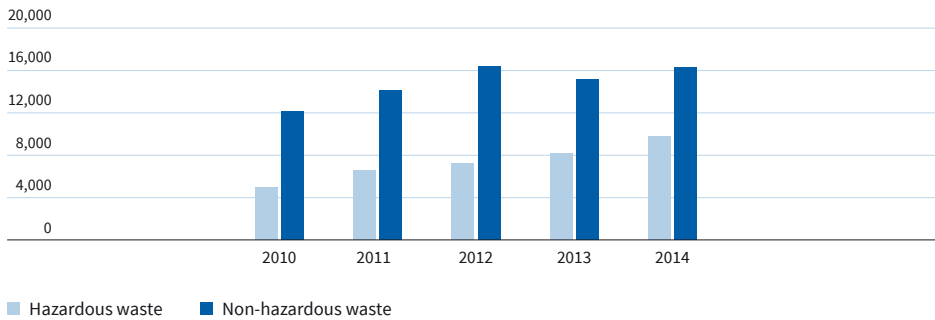
The objective of waste management at Infineon is not only to minimize the volume of waste generated, but also to dispose the remaining waste properly.

In the 2014 fiscal year, waste totaled 26,228 tons, comprising 16,445 tons of non-hazardous waste and 9,783 tons of hazardous waste. Increases in production compared to the previous year played a significant role in the increase in waste volumes.

G53

#### Waste generation

in tons



In waste treatment Infineon prefers recovery methods rather than disposal methods. Among the different recovery methods, recycling is ecologically the most effective. The percentages of the various waste management methods are illustrated in chart 54. In the 2014 fiscal year, 49.82 percent of non-hazardous waste and 53.96 percent of hazardous waste were recycled.

In the 2014 fiscal year our manufacturing site in Regensburg (Germany) began the process of no longer sending mixtures of acetone and water for disposal, but instead, in the future, will use a process which recovers the acetone.

Even waste disposal methods already in use can be improved upon. Cooperation between Infineon's site in Regensburg (Germany) and a local waste disposal company demonstrated that it is possible to considerably reduce transportation costs for the treatment of galvanic sludge containing palladium and gold.

In calendar year 2013, the volume of waste generated to manufacture a square centimeter wafer at Infineon frontend sites was 47 percent lower than the WSC global average.

### Chemical safety

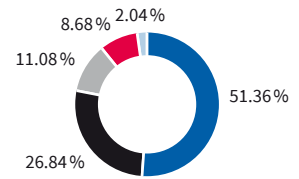
A wide variety of chemicals is required in the manufacturing of semiconductors, some of which are hazardous. At Infineon, we responsibly manage the handling of hazardous materials to safeguard human health and the environment.

Complying with all currently applicable legal regulations is self-evident for us. The European chemicals regulation REACH (Registration, Evaluation, Authorization and Restriction of Chemicals, regulation (EC) No 1907/2006) provides a key regulatory framework for the registration, evaluation, authorization and restriction of chemical substances on the European market and, therefore, exerts considerable influence on the procurement and usage of chemicals. As compliance with REACH requirements is mandatory within our supply chain for ensuring reliable delivery, these requirements have been fully integrated in Infineon's procurement processes.

Furthermore, the CLP regulation (EC) No 1272/2008 (Classification, Labeling and Packaging) has great significance for the handling of chemicals. This regulation sets out the classification, labeling and packaging of materials and mixtures and replaces the previously applicable classification and labeling system contained in the directives 67/548/EEC and 1999/45/EC.

G54

#### Waste management methods in the 2014 fiscal year



- Recycling
- Landfill
- Chemical treatment
- Incineration
- Composting

G55

#### Standardized waste generation

per square centimeter manufactured wafer



<sup>1</sup> Frontend sites worldwide

#### Waste management

#### Target achievement and summary of results in the 2014 fiscal year

- Target achieved:**
- Compared with the WSC global average, Infineon sites generated approximately 47 percent less waste to manufacture one square centimeter of wafer.

-47%

51.36 percent of waste generated at Infineon sites was recycled.

#### Target for the 2015 fiscal year

- Regardless of growing product complexity, our aim is to keep the waste generated per centimeter of wafer manufactured below the specific waste level determined by the WSC.

As the changeover involves transition periods (up to the 2015 calendar year in some cases) and our suppliers have adopted individual implementation strategies, Infineon has decided to utilize both classification systems simultaneously worldwide until the end of the transition periods.

#### **Product-related environmental sustainability**

We implement our sustainability approach, both at our manufacturing sites and in our products. This approach is demonstrated in the CO<sub>2</sub> savings enabled by our products and solutions as well as in handling the substances and materials used in our products.

All Infineon products fulfill the criteria for articles in accordance with the REACH regulation. For this reason, we are not required to register the substances contained in our products.

If substances are specified on the so-called REACH candidate list (list of substances of very high concern that may be subject to authorization), and are present in an article in a portion of 0.1 percent by weight or more, European customers must be notified accordingly. Infineon complies with this obligation by publishing the REACH statement and by including a corresponding passage in its dispatch notes.

The European directives 2000/53/EC governing end-of-life vehicles (ELV Directive: End-of-Life Vehicles) and 2011/65/EU to restrict the use of certain hazardous substances in electrical and electronic devices (RoHS Directive), regulate the use of certain substances classified by legislators as hazardous in the end products. None of Infineon's products are in the scope of these regulations. However, our customers expect Infineon's products to meet the requirements in their applications.

Infineon's products comply with these requirements and conform to the material restrictions in all applicable legal regulations, including those applicable in countries outside Europe. Furthermore, we work continually on methods of replacing materials such as lead to a greater degree than currently required by legislation.

In addition, if required, we provide our customers with comprehensive information regarding the materials contained in our products in accordance with international standards.

#### **Business Ethics**

The Infineon Business Conduct Guidelines reflect our ethical principles and are the fundamental basis for our daily activities. They apply to all employees worldwide – in dealing with each other, or with our customers, shareholders, business partners and the public.

Infineon Technologies AG and selected major subsidiaries commissioned an independent audit firm to confirm the appropriateness, implementation and effectiveness of their Compliance Management System in accordance with the IDW PS 980 standard. This audit, which focused on anti-corruption and anti-trust law, was completed in the course of the 2014 fiscal year.

You will find more information on this topic in the chapter "Corporate Governance".

**P** see page 90

**P** see page 167 ff.

As a UN Global Compact participant, Infineon has made a commitment to abide by the stated principles and reports below in an exemplary manner in its Communication on Progress on the measures implemented:

UN Global Compact	Measures implemented	
<b>Human Rights</b>		
Principle 1: Support for human rights	<ul style="list-style-type: none"> <li>• Training for all employees on Business Conduct Guidelines, which reflect our self-commitment to respect and to uphold international human rights. The training is supplemented with video sequences showing case studies from day-to-day working situations at Infineon that are descriptive and easy to grasp for employees at every level.</li> <li>• Firmly defined rules in our CSR policy as well as the Principles of Purchasing, which require our suppliers and service providers to fulfill the obligations described therein.</li> </ul>	
Principle 2: Non-complicity in human rights abuses		
<b>Labor</b>		
Principle 3: Uphold freedom of association	<ul style="list-style-type: none"> <li>• Our Business Conduct Guidelines reflect our self-commitment to comply with international human rights. We do not tolerate discrimination and reject every form of forced labor.</li> <li>• In addition to the usual in-house methods of reporting violations, such as to the Management, to the Human Resources department or to Compliance, employees and business partners can also contact an anonymous whistleblower hotline or an external ombudsman. Access and information are available on the Infineon website.</li> <li>• 79.36 percent of our employees work at sites that have entered into collective agreements and where independent employee representatives are in place.</li> <li>• Persons under 15 years of age are not allowed to work at Infineon. Exceptions apply for certain developing countries covered by International Labor Organization (ILO) convention 138 (minimum age lowered to 14 years), or for job training and vocational training programs that are authorized by the governments of the countries involved and who demonstrably promote those participating.</li> </ul>	
Principle 4: Elimination of all forms of forced labor		
Principle 5: Abolition of child labor		
Principle 6: Elimination of discrimination		
<b>Environment</b>		
Principle 7: Precautionary approach to environmental protection		<ul style="list-style-type: none"> <li>• Our IMPRES is globally certified in accordance with ISO 14001 and OHSAS 18001 standards and underscores our commitment to efficient resources management, environmental protection and ecological innovation.</li> <li>• Efficient energy management is particularly important for saving energy and reducing greenhouse gas emissions worldwide and is integrated in our IMPRES.</li> <li>• All of our EU frontend sites as well as Campeon, our corporate headquarters, are additionally certified in accordance with ISO 50001 standard.</li> <li>• The development of products that enable energy-efficient applications and solutions is a key part of our business.</li> </ul>
Principle 8: Support initiatives for greater awareness of environmental responsibility		
Principle 9: Development and diffusion of environmentally friendly technologies		
<b>Anti-corruption</b>		
Principle 10: Action against corruption	<ul style="list-style-type: none"> <li>• The introduction of a specific web-based training on anti-corruption. The rollout started mid of the 2014 fiscal year and has already reached a large number of employees. The training is mandatory for a group of selected employees.</li> <li>• Regular “Best Practice Sharing” with other companies and Transparency International on topics concerning the prevention of corruption (for example, purchasing processes, in-house information campaigns).</li> <li>• Formalized risk assessment as part of the Compliance Management System and the definition of measures for those risks not yet addressed.</li> </ul>	

**Business ethics**

**Target achievement and summary of results in the 2014 fiscal year**

**Targets achieved:**

- With 28,800 participants, the number of employees who took part in compliance training was even slightly higher than in the previous year. During the last two years, all of our employees have received video-based training on our Code of Conduct. Infineon also provided regular training on antitrust law as well as a newly introduced specific training on anti-corruption. The roll-out of the anti-corruption training started mid of the 2014 fiscal year.



**28,800**  
participants

**Targets for the 2015 fiscal year**

- Revision of the Business Conduct Guidelines.
- Continuation of regular training on compliance at defined intervals.

CSR in the supply chain

Target achievement and summary of results in the 2014 fiscal year

Target achieved:

- Questionnaire and assessment criteria for suppliers in the field of CSR were defined and determined for a new supplier management tool.



Target for the 2015 fiscal year

- Implementation of the new CSR supplier evaluation.

Our responsibility along the supply chain

We expect our suppliers to comply with applicable legal requirements and laws and to respect other cultures. Furthermore, we expect them to support the principles of the UN Global Compact Initiative. We have set out our requirements in the Principles of Purchasing, which are based on our Business Conduct Guidelines and designed to help our suppliers understand and comply with our requirements.

G56

Principles of Purchasing



Conflict minerals

Target achievement and summary of results in the 2014 fiscal year

Target achieved:

- The publishing of a “Conflict Minerals Policy” in the CSR website.



Performance of a “Due Diligence” in accordance with the OECD Guidelines.

Membership in the “Conflict-Free Sourcing Initiative”.

Target for the 2015 fiscal year

- To establish a system in accordance with OECD Guidelines in order to improve and maintain a supply chain free of DRC-conflict minerals.

Conflict minerals

In July 2010 the USA’s Dodd-Frank Act (Dodd-Frank Wall Street Reform and Consumer Protection Act) was adopted. Section 1502 (“Conflict Minerals Provision”) contains disclosure and reporting obligations for companies listed in the USA concerning the utilization of certain raw materials that originate from the Democratic Republic of Congo (DRC) or its adjoining countries, so-called “conflict minerals”. The term currently applies to tantalum, tin, gold and tungsten.

Infineon is not listed on US stock exchanges and, therefore, not legally required to comply with the requirements of the U.S. Securities and Exchange Commission (published in August 2012) nor to publish a report on conflict minerals.

Nevertheless, Infineon is aware of the fundamental problem and, as a responsibly acting enterprise, has defined a Group wide approach with the aim of guaranteeing the required transparency within its own supply chain.

The approach adopted at Infineon is based on the process of the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”.

Moreover, Infineon has joined the so-called “Conflict-Free Sourcing Initiative”. We have set out our targets in the Infineon “Conflict Minerals Policy”, which we have published on our CSR website.

@ [www.infineon.com/csr-supply-chain/](http://www.infineon.com/csr-supply-chain/)

## Corporate Citizenship

We understand Corporate Citizenship as our voluntary social commitment for the communities in which we operate. In the field of Corporate Citizenship, Infineon has defined four areas of activity: “Environmental Sustainability Initiatives”, “Addressing local social needs”, “Education for future generations” and help in case of “natural and humanitarian disasters”. In addition to monetary and material donations, the commitment of our employees can be expressed in voluntary activities.

The above-mentioned areas of activity and engagement possibilities are contained in our Corporate Citizenship Guidelines. These guidelines ensure that our Corporate Citizenship activities are performed transparently and in line with our ethical principles.

G 57

### Corporate citizenship expenditure

Engagement possibilities	Expenditure in €
• Donations	747,539
• In-kind giving	301,853
• Sponsoring	219,414
• Employee volunteering	4,536
	<b>1,273,342</b>

G 58

### Examples of the Corporate Citizenship activities of Infineon in the 2014 fiscal year

Education for future generations	<ul style="list-style-type: none"> <li>• National Undergraduates Electronics Design Contest in China</li> <li>• “Deutscher Zukunftspreis” of the Association for the Promotion of Humanities and Sciences in Germany</li> <li>• Endowed Chair for microcontrollers and embedded systems</li> <li>• Donation of 400 High Power Modules for research purposes</li> </ul>
Local social needs	<ul style="list-style-type: none"> <li>• “Learn for Life” project in China</li> <li>• “Campus for Change” in Munich</li> <li>• Foundation “Global Compact Network Germany”</li> <li>• “Project Hope” of China Youth Development Foundation</li> </ul>
Natural and humanitarian disasters	<ul style="list-style-type: none"> <li>• Flood relief for Romania</li> <li>• Flood relief for Balkan</li> <li>• Flood relief for Germany</li> <li>• Help for the survivors of the typhoon Haiyan, Philippines</li> </ul>
Environmental sustainability	<ul style="list-style-type: none"> <li>• Tree planting activity in Batam (Indonesia)</li> <li>• Naturindianer-kids in Munich</li> <li>• Green hiking in China</li> </ul>

## Human resource management, human rights


It goes without saying that compliance with the international proclaimed human rights and labor standards is a must. Our employees receive regular training on Business Contact Guidelines, reflecting Infineon’s commitment in this field.

For more information, please see “Business Ethics” in this chapter, as well as the chapters “Corporate Governance” and “Our Employees”.

### Corporate Citizenship


#### Target achievement and summary of results in the 2014 fiscal year


##### Target achieved:

- Planning of projects that can be supported worldwide in the 2015 fiscal year in order to better coordinate our activities. 

#### Target for the 2015 fiscal year

- To increase in-house awareness of citizenship activities and employee volunteering in this field.

 see page 92 f.

 see page 167 ff. and 96 ff.