HR Report 2020

People create value.
HR fosters people engagement.
People create value. HR fosters people engagement.

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Dear Reader,

We all have a challenging business year behind us. The COVID-19 pandemic has impacted all of us and calls for rapid and yet well-considered actions, including in the area of HR.

The health of our employees is our highest priority. At the same time, however, business continuity has to be ensured. We were able to build on already existing flexibility measures and will link them after COVID-19 with the challenges emerging in the context of “New Work”. In past years we have already introduced many solutions at Infineon that are now helping us take the next steps with our employees in returning to a new normal.

Another milestone this year was the successful acquisition of Cypress and the worldwide integration of over 6,000 employees. HR plays a central role here – in strategic, financial and cultural terms.

In addition we have further driven the evolutionary development of our HR strategy and HR department. People are in the center of our actions. Dedicated, healthy and successful employees are absolutely necessary if we are to retain and expand our leading position and thus shape a successful future for all of us. This has guided us in aligning our actions with expectations of the years to come. It is also reflected by our understanding “People create value. HR fosters people engagement”.

I would like to take this opportunity to express my personal gratitude to my predecessor Dr Marquardt for the many years of excellent collaboration and for a smooth handover.

I hope you enjoy reading our report in this unusual year.

Yours,
Markus Fink,
Global Head of Human Resources
Our understanding: People create value. HR fosters people engagement.

Our HR team plays a vital role in making sure that Infineon achieves its growth and profitability targets and that we are able to navigate our way through a variety of different economic phases and challenges. We also see it as our responsibility to contribute to mastering the fundamental challenges facing society today.

Our employees are the key to success. Strengthening a positive employee experience and thus achieving a high degree of engagement also means continuously developing and fostering employees and managers. A high level of enthusiasm, energy and motivation are essential in achieving greater job performance, creativity, productivity and innovation. Attaining this goal is our top objective at Infineon. This is why our understanding is “People create value. HR fosters people engagement”.

Markus Fink has taken over Infineon’s global HR organization on 1 April 2020. His 20-year career at Infineon has included a variety of different HR functions, including positions in the integration of International Rectifier and as Vice President Human Resources Asia Pacific. He also led the major HR transformation project ‘connect’.

With a deep sense of conviction, he shares the opinion:
“HR does not administer, it shapes, is bold on transformation and open to new things.”

Markus Fink,
Global Head of Human Resources
Our new HR organization: Oriented towards strategic focus areas

We foster employee engagement and shape the employee experience at Infineon with the four HR pillars described below and with a strong sense of collaboration and solidarity at our entire HR department (the “oneHR” philosophy).

**HR Business Consulting** is the first contact point for the business and corporate functions and has an excellent customer orientation. HR Business Consulting provides the strategic, consultative and transactional guidelines for the business. It also advises the company on people strategies and identifies talented individuals throughout the entire company.

**HR Services & People Operations** defines and administers a globally consistent HR service portfolio and implements the right solutions for employees at the right times. HR Services & People Operations drives process automation based on existing standards in order to measurably increase quality and efficiency.

**HR Innovation, Customer & Projects** focuses on fostering employee engagement across all HR processes and tools and ensures the realization of an “oneHR” approach. Solutions are developed to meet people needs based on the HR strategy and in collaboration with the other departments. Data-based decision-making concepts support the successful development of employees and of the organization and thus promote high performance standards within the company.

**HR Competence Center** continuously develop, implement and improve HR solutions and services for all of Infineon, providing support with specialized expert knowledge and make it possible for the HR department to work within the defined guidelines. Trends and market developments are identified, analyzed and correspondingly transferred on a global basis to match the requirements of Infineon.
With our strategic HR pillars we promote a positive work environment and foster employee engagement while supporting and accompanying activities of our employees.

**Strategic focus areas**
Our organization is oriented towards the following four long-term strategic focus areas. They are the basis for the ongoing formulation of the focal points of our work.

**Culture, Organization, People & Leadership, HR Processes & Infrastructure**
In developing our focus areas we have taken Infineon’s strategic drivers as well as external trends and developments into account; we also surveyed our employees, HR colleagues and internal HR customers worldwide. The experience gained in our HR transformation project HR ‘connect’ has also been of great value. The strategic focus areas include both existing and new topics. Based on these priorities, we will define specific individual goals for each respective fiscal year and will work to achieve these goals within the organization.
Infineon stands for a strong orientation towards employees, a stance we embody in our strategy with a focus on People Engagement. Our constantly growing organization and the associated changes in increasingly complex and dynamic environments represent a major challenge and have a strong impact on our managers and employees.

We regard ourselves as drivers of People Engagement, helping our managers manage their organizational development. Strategic influences and our position as a preferred employer have let us review and expand our procedures, processes and instruments for analysis, assessment and derivation of activities relating to the topic of People Engagement.

We want our employees to be motivated in their work because they feel they are being heard and supported. People Engagement is based on trust and integrity as well as the employees’ responsibility to address what they feel is important. In addition to personal discussions, we also use company-wide pulse check surveys to reach each individual employee, helping us identify areas where more support is desired and assess whether measures taken previously were effective.”

Jochen Hanebeck, Chief Operations Officer

People Engagement: Continuous dialog with our employees

Infineon and embed that strategy in our existing process and tool landscape.

Regularly occurring feedback cycles help managers formulate effective measures for promoting an open feedback culture and fostering a high degree of employee engagement in their respective organizations. Organizations with highly engaged employees perform better. We feel People Engagement is a decisive factor in success.

We regard ourselves as drivers of People Engagement, helping our managers manage their organizational development. Strategic influences and our position as a preferred employer have let us review and expand our procedures, processes and instruments for analysis, assessment and derivation of activities relating to the topic of People Engagement.

Our solution: We constantly listen to our employees and involve them in the dialog. We see this as a key instrument within the company when it comes to early implementation of appropriate measures and how to properly deploy “New Work” at Infineon in the current situation and, thus, be optimally positioned for the future. Together with employees and managers we can succeed in steering the organization in the best possible way by working to define a comprehensive feedback strategy for
We successfully completed our global transformation project HR ‘connect’ during the current fiscal year. The project was launched three years ago in order to orient Infineon to the future, from the HR perspective.

The Digital Transformation, new disruptive markets and high volatility are accelerating the rate of transformation in the working world. In order to remain successful at this quickening pace, we feel it is our responsibility to position the HR department globally as an important partner for transformation and to prepare employees and the working environment accordingly.

As soon as the project kicked off, we defined seven essential project objectives, for example: “Enable the organization to be flexible and prepare for further growth”, “Find, connect to and develop the best talents” and “Simplify HR processes and infrastructure”. During the course of the project we formulated goal-oriented solutions fostering transparency, people development and people empowerment as well as support for managers in their management functions.

**Focus on the internal customer**
We have rolled out 15 solutions worldwide in an iterative process since project start. These solutions include for example a more continuous and more flexible target management system, succession planning for key positions and a globally harmonized and simplified salary planning process. Our new and improved user-oriented processes and systems strengthen our employees’ efforts to take on responsibility for their continuing personal development on a self-determined basis. At the same time our company-internal Leadership Principles, rolled out in 2019, constantly reinforce our managers in their capacity as coaches and supporters of their employees.

One of the biggest changes has taken place in our own department: HR has grown stronger in its role as advisors to managers and employees, offering consulting services on an equal footing with our customers.

**Clear measurability, inclusion and regularly occurring feedback**
All regions jointly participated in the project from the very beginning. Essential project milestones were formulated in sprints and were then rolled out. Another important success factor was the cross-functional interaction between HR and IT in the selection of technological solutions.

We feel that HR ‘connect’ has achieved a significantly stronger orientation towards employees and towards the future, safeguarding productivity and business continuity, especially in the context of the current COVID-19 pandemic. Even before the dynamic impacts of the pandemic hit, HR ‘connect’ had already mobilized many skills, behaviors, management tasks and changes in culture that have helped Infineon navigate successfully through challenging times.
Seven project objectives guided progress for three years

- Coach leaders to lead
- Consult for people-related decision making
- Increase HR Efficiency: HR processes and our HR infrastructure
- Find, connect to and develop the best talents
- Improve Service Level & Customer Experience
- Enable the organization to be flexible & prepare for further growth
- Create working conditions of the future
- Enable high performance & individual development opportunities
Live @ Infineon
Cypress integration - Welcome to Infineon

The acquisition of Cypress is a major and momentous step in the further strategic development of Infineon. We have combined the specific individual strengths of Cypress and Infineon to become one of the top 10 semiconductor manufacturers in the world. By doing so we are taking another large step forward in the realization of our long-term strategy “Linking the real and the digital world.”

We welcome the diversity of our newly built company and trust in everyone’s commitment to joint success. We would like to extend a warm welcome to our new colleagues and look forward to the enhancement of skills and expertise they bring to us.

Our 6,000 new colleagues will strengthen our global presence. Together, we can achieve more than what any of us could have done on our own. The collaboration during the step-wise integration is characterized by an open atmosphere and the feeling of a great fit in culture. We could already sense that both teams were passionate about our customers’ success, innovation and had a strong focus on problem solving. Infineon and Cypress becoming one company is a great opportunity with great outlook.”

Dr. Helmut Gassel,
Chief Marketing Officer
We began preparing for the acquisition already in 2019 and we are currently in the integration phase that began with the Closing in April 2020. Over 6,000 employees are now gradually integrated into the world of Infineon. This means a variety of changes, challenges and opportunities, both for the company and for each individual.

HR makes equally essential contributions to the integration in strategic, financial and cultural terms. Our comprehensive change strategy accompanies employees around the world through the integration process, whether in the form of a buddy system or on a newly developed “Onboarding Journey” with the new colleagues. We made sure at a very early stage to establish complete transparency regarding what working conditions the new employees can expect at Infineon.

In spite of the pandemic, we quickly found creative ways to welcome and include our new colleagues. Virtual tools let us conduct virtual “Welcome” meetings, maintain the constant flow of information and at the same time compensate to the best possible extent for the personal interaction which is not possible at present.

I was quick to notice that we fit together well. And not just because our portfolios complement one another well, but also because we have very similar cultures and values.”

Sam Geha,
CEO and EVP Memory Solutions

It didn’t feel like an acquisition. We were brought into the fold. We were asked our opinions. We were part of the process. Infineon has a culture that is credited with great care about their people. Every employee is seen as part of a family.”

Mike Balow,
EVP, Sales and Marketing, CSS
Feedback within the company is very important to us. We launched an initial employee survey in May 2020 in order to better understand the atmosphere and needs of the employees in the integration phase. The objective was to gain a better idea of how the employees feel about the present status of the integration.

In the future, we will continue to conduct employee surveys in order to obtain consistent and sustainable feedback from our employees.

Pulse-check on integration: Results

Our employees understand our business strategy very well. We see confirmation in the high level of satisfaction with Infineon as an employer as well as the expression of a clear feeling of belonging and we are looking confidently into a joint future. The results of the study show that continuous communication and provision of information are very important to our employees. We are looking forward to the upcoming months and the related ongoing integration activities.

From the outset, I paired with a fantastic new colleague who helped accelerate my assimilation into Infineon. I've also enjoyed virtually visiting my new team members in their homes around the globe. As we exchange ideas and share best practices, I'm discovering how much we already have in common – a passion for problem solving and a commitment to teamwork.”

Lalitha Suryanarayana,
VP Strategic Marketing
COVID-19: Fast and focused action was necessary

At the very beginning of the pandemic the quickly convened COVID-19 taskforce made it possible for Infineon to implement effective measures to ensure the well-being of our employees along with business continuity:

› Proactive and rapid formation of global and local crisis response teams
› Early preparation and execution of global and local communications activities
› Creation of a dashboard with the most important personnel figures, including an infection tracking dashboard
› Expansion of bandwidth and infrastructure so that employees could work from home
› Advice on and execution of measures to provide employees with flexibility in terms of time and location of their work activities
› Introduction of global corporate surveys on the crisis and crisis management, referred to as COVID-19 pulse checks, to gauge the mood at the company and to facilitate introduction of corresponding measures as necessary

COVID-19 pulse check

We launched a COVID-19 pulse check in April 2020. The objective was to understand how the employees are doing in this highly challenging situation.

COVID-19 pulse check: Results

A very high response rate provided us with valuable feedback from our employees and showed that the measures taken by Infineon have the desired effect. A large majority of the employees surveyed rated communication within the company on COVID-19 as positive, and felt supported by Infineon during the current crisis. Health information, job security as well as hygiene in the workplace were the three most important employee requirements.

People Engagement

Our company has made it through the COVID-19 pandemic amazingly well so far, a fact which receives a lot of recognition outside the company as well. This is primarily because all of our colleagues have confronted this challenge with great flexibility and complete dedication and have been able to maintain ongoing operations with no major disturbances. Professional crisis management at all sites has been very helpful here – crisis teams including all the necessary partners were formed very quickly everywhere. The fast and pragmatic decisions were then communicated very transparently to all employees.”

Ronald Künemund,
Chairman of the Central Works Council
Managing while working at home
As an employer the personal flexibility of our employees was already important to us before the COVID-19 pandemic. Thus outside of production, mobile working and virtual collaboration were already well established in many areas of everyday work. During the peak period of COVID-19 in March and April, approximately 80 percent of our employees worldwide outside of production worked from home and had to adapt to the new situation within a very short time.

Special virtual learning offers have helped our managers navigate through uncertain times, organize themselves and coach their employees and teams while working from home. This made it possible for managers to quickly and easily accommodate to the new situation.

Among other things, we have benefited from the fact that we had already introduced LinkedIn Learning in the previous year. Since all employees have access to LinkedIn Learning, they have been able to continue their training and education on a wide variety of topics, regardless of their location or time constraints.
It is already evident that the COVID-19 pandemic will have extensive impacts on the working world and has accelerated the adoption of new work methods.

In recent years, Infineon has made intensive efforts to drive digitalization and, as a result, was well positioned to respond to the pandemic. Even before COVID-19, working from home, mobile working and virtual collaboration were already commonplace in many areas outside of production.

The increase in mobile working represents a new type of collaboration. Many concepts, instruments and guidelines already support this approach. We have therefore decided for the following approach:

**Use the foundation**
In a first step, we would like to use this challenge to make our employees aware of what we already have in place today and to expand the use of this foundation. This includes the technologies which already help us today so that the majority of office employees can work from home. We use tools like WebEx for virtual collaboration and we use online training, including LinkedIn Learning, to make sure our employees can continue to acquire additional skills they need for new work methods and beyond.

**Improve the foundation**
In a second step, we plan to launch a project that will focus on the future of work at Infineon. The “New Work” working group will collect the available practical experiences and analyze it while taking applicable legal parameters into account. This also includes new work methods and instruments that have proved to be positive for our employees during the crisis.

In the future, our New Work @ Infineon initiative will help secure the competitive strength and innovative power of Infineon.

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The COVID-19 pandemic has shown us that we should rethink our previous concept of working. We’ve taken the first step into a new age, and now we’ll have to continue the journey and find out how we can connect Infineon’s strength, its ability to act as a team with new ways of working. We are convinced that we can increase our competitive strength and innovation power and we will not forget the people in the process.”

**Dr. Reinhard Ploss,**
Chief Executive Officer
Diversity is a success factor for us

We are a global company with colleagues from more than 100 countries, of different generations and with the widest possible variety of backgrounds. The diversity of our headcount is the cornerstone of our success: Diversity & Inclusion is strategically important to Infineon and is a permanent fixture in our corporate culture. We work to create an integrative working environment in which everyone can make their contribution, free of prejudice and with equal opportunities.

Global framework for Diversity & Inclusion
We pursue a holistic Diversity & Inclusion approach for which we have developed a global framework that is applied in all regions and that forms the cornerstone of our activities.

We pay particular attention to the dimensions of diversity defined by the framework:

Age
Gender
Ethnic Origin and Nationality
Religion and Worldview
Physical and Mental Ability
Sexual Orientation and Identity

We experience diversity in every-day conversations with our colleagues. We all have different views of life, different principles and beliefs that guide us. As a result we may perceive topics and challenges differently and with individual focus points. Acceptance towards our diversity creates space for creative solutions, innovative ideas and thus the opportunity for us to grow both individually and as a company.

As a multinational corporation we work hard to increase and promote diversity, for example with regard to gender, age and nationality.

Dr. Sven Schneider,
Chief Financial Officer
Our **global starting points** for Diversity & Inclusion (D&I) are of high strategic relevance to all Infineon regions:

- Awareness and competencies for Diversity & Inclusion
- Age diversity
- Gender diversity
- Cultural diversity
- Work-life balance

Global content is provided which is then supplemented by local solution strategies tailored to meet the specific needs of the location or region in question.

Last year we focused on the development of solutions to increase Diversity & Inclusion awareness among employees and managers and to facilitate D&I in everyday work activities, for example working in multi-cultural and multi-generational teams. In particular, confronting unconscious bias in everyday life is a challenge that we plan to master together.

The following solutions were developed to help make unconscious thoughts conscious in Diversity & Inclusion:

- Diversity & Inclusion eLearning explaining the global Diversity & Inclusion framework
- Virtual Learning Journey with LinkedIn Learning on selected aspects of Diversity & Inclusion
- Rigorous integration of Diversity & Inclusion aspects in the development of employees and managers

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**Our Diversity & Inclusion mission statement**

Diversity & Inclusion begins with us! We embrace the power of Diversity to make Infineon more successful: Better decisions, more innovation, higher employee engagement and increased profits.
The health and well-being of our employees is of the utmost importance to us. Accordingly, we ensure an intact working environment and help our employees master the challenges of today’s working world. Our Corporate Health Management program provides support in the form of various measures to promote healthy lifestyles and work styles.

We offer a large number of programs and initiatives in this context all around the world, ranging from the company health service, corporate social counseling services (employee, manager and team counseling) and corporate reintegration management all the way to health checks and a wide variety of sports activities and innovative approaches to health improvement.

Healthy employees, healthy working environment

This year we made the psychological health of our employees a new core topic. We help reduce stress and encourage dealing openly with psychological illnesses at the workplace. This of course took on particular importance in times of COVID-19.

Here are some more examples from the Infineon sites and regions:

Running for a good cause
Employees at our Dublin customer logistics center went a total distance of 437.5 kilometers on foot and by bike to raise money for the nearby St. James hospital, which cares for COVID-19 patients. The donation was used to provide medical staff with personal protective equipment, food and other aids in the daily fight against COVID-19. At the same time the sports event also reunited the Infineon employees virtually.
Understanding for mental health at the workplace
The “HealMind-Pro” program was introduced in close collaboration with the Human Resources department of Infineon Melacca, Malaysia and the NCD Consultant Chapter (a non-governmental organization). The employees participated in a voluntary screening test in order to find out more about their individual state of health, learn about possible triggers for psychological illnesses and about various types of stress management.

Every step counts for the InFit health program
We created “Infineon cares” at Infineon sites in the Americas, a solid and sustainable platform for promoting engagement and good relationships among colleagues with a variety of activities. This includes the annual “GetActive Running Competition” aimed at raising enthusiasm for health, well-being and having fun together as individuals and as teams.

Starting in April, for a period of eight weeks all the footsteps taken by each team in the American InFit Community were counted. The main objective was for each team to take more steps than any other team: This year almost 300 million steps were counted, in spite of the challenges associated with COVID-19. And another sporty campaign encouraged this kind of activity: With the theme “Food Around the World”, 448 colleagues from 63 Infineon Americas teams took off on a virtual globetrot around the world in order to continue a healthy and active lifestyle and to learn new recipes from the widest possible variety of cultures.

Each time a milestone was passed, a recipe was activated which the employees could then cook and try out at home.

Each step our employees took was for a good cause, since the results of the campaign were donated to charity organizations.
People & Leadership
People & Leadership

New STEPS and Leadership Principles: A summary

The publication of the Infineon Leadership Principles in April 2019 and the revision of the philosophy and corresponding adaptation of our target and performance management process “STEPS” in September 2018 were decisive steps on the way to modern, employee-oriented people development.

Infineon’s global STEPS process (“Steps To Employee’s Personal Success”) provides managers and employees with a framework for orientation and action: Goals, expected behaviors and development steps are agreed on and the employees’ goal achievements and performances are discussed in an ongoing, open dialog between manager and employee.

A new aspect (both in terms of the process and in actual practice) is that it is now not solely the responsibility of the manager to define goals, document the next possible career steps or to propose development measures. The rigorously implemented new STEPS philosophy places the focus on the employee’s ownership and responsibility: Among other things employees can define their own goals and can make their own suggestions for a next career step as part of the “Career Projection”.

This strengthens the abilities of the manager to coach and empower.
Steps To Employees' Personal Success

**Employees’ ownership**
Employees own their development, career and drive results.

**Clarity**
Managers and employees are transparent on expectations and development supported by meaningful feedback.

**Future-driven**
Attractive career journeys to grow talent and build competencies for future success.

**Managers’ responsibilities**
Managers act as coaches and empower employees to develop and succeed.

**Agility**
Managers and employees manage targets and development continuously in line with a dynamic environment.
Every career is individual
Today, two STEPS cycles and three Career Projection cycles later, we see how well the new philosophy is being accepted and lived out. In the meantime, many employees have filled out at least one Career Projection for themselves over the years and are working together with their managers to realize their next development steps. We are completely convinced that a career may take any of a wide range of possible turns: The ‘horizontal’ step upwards, a step ‘to the side’, i.e. a lateral or horizontal development for example in another specialty area, the expansion of the employee’s own areas of responsibility (Enrichment) or a reduction in the employee’s scope of responsibility. This is an example of two additional components in the STEPS philosophy: clarity and future-orientation. The employee and the manager are motivated to approach the joint dialog openly and with transparency, resulting in clarity on roles and mutual expectations. Planning a career with a target time-frame from one to three years allows rigorous future-orientation.

Career paths are individual and can take a variety of direction

**Every career is individual**
A Career Projection doesn’t necessarily mean moving up in the hierarchy. Much more it should match the employee’s personal needs, interests and abilities

- **Horizontal movement:**
  Job change on the same level in order to gain additional experience

- **Enrichment:**
  Increased responsibility or complexity in the same job

- **Vertical movement:**
  Job change with increased responsibility

- **Reduction in scope:**
  A step back, in accordance with personal needs and abilities
Success comes from good and clear leadership

Infineon’s leaders continue to take on a central and increasingly demanding position within the company. We are entirely convinced that success is the result of good, clear leadership behavior. In April 2019, Infineon published the Infineon Leadership Principles, a transparent, behavior-oriented framework for its managers. The Principles supplement the High Performance Behavior Model and use eight dimensions to answer the question of how our managers can shape and live out their roles.

The Leadership Principles have been integrated as a reference framework in established formats. Thus for example the Principles are an addition to the regularly occurring Leadership Dialog between employees and managers.

The Leadership Dialog is a continuous instrument for feedback between the team and the manager. The two sides share observations and future expectations based on the eight dimensions of the Leadership Principles, including among others the desire for exemplary behavior, defining motivating goals, focusing on and specifically promoting team success and understanding trust, integrity and consistent behavior as a foundation for working together.

We are experiencing how the exchange along specifically defined dimensions has a highly focused and thus very valuable effect on the teams. We will integrate the Leadership Principles in additional formats in the fiscal years to come.

In summary, it can be said that the various frameworks and processes implemented by Infineon in recent years have successfully impacted the development of the employees and managers, and have thus had a positive influence on ensuring the success and future viability of the organization.
An overview of the leadership principles:

Desire to grow and motivate others to do so, too

Leadership starts with leading yourself and acting as a role model

Take ownership

Begin with the big picture and set motivating targets

Integrity, trust and consistency are the basis for your actions

Our leadership model: Our people are the key for success

Create a framework of action for success to achieve results

Team success is a priority: Empower and coach your people, provide a framework for success and focus on results

Infineon Leadership Principles
Our management training reflects the Infineon Leadership Principles

Excellent leadership is one of the pillars of Infineon’s success. One paramount success factor is the fact that our managers receive solid training on all levels and in all career tracks and are also able to strengthen and further develop their Leadership skills and competencies.

In 2020 we put together a comprehensive range of management trainings aimed at facilitating the proper application of leadership abilities. Many different management training programs are available for every career track, accompanying our managers throughout all their career levels.

Our training landscape consists of leadership and management trainings that include integrated forms of learning such as face to face formats, peer consulting and virtual training formats going well beyond in-person training sessions. We benefited from the investments made in our virtual learning infrastructure as a part of the HR ‘connect’ project, making it possible to integrate virtual formats like LinkedIn Learning and WebEx Training Center in management training.

Career opportunities at Infineon

Attractive possibilities in a dynamic environment
External trend studies confirm the fact that employs want more empowerment when it comes to shaping their own career paths. Self-determination and control play a major role here, as does the possibility of continuing further development above and beyond career tracks. Based on such findings and the experience gained in the context of HR ‘connect’, we will make our career landscape more attractive as part of a company-wide project, and also in the context of our defined strategic focus areas for the upcoming years.

In the project we use a holistic approach to apply concepts, processes and instruments relating to all aspects of career paths at Infineon. The objective is to provide employees with transparent, equally valuable and attractive career paths. These career tracks are supported by scalable processes as well as user-friendly instruments.

An attractive and effectively administered career landscape is a crucial milestone for our success with regard to our continuing growth and the achievement of our strategic goals.
A career example: The road from Business Psychology studies to a leadership position in the “Intelligent Power Modules” product line at Infineon

Julia Halasz has already had extensive experience in the area of M&A during her career. She began to build the Infineon M&A department in 2016. Since March 2020 Julia Halasz has been the head of the product line “Intelligent Power Modules”.

„If someone had told me at university that one day I would be a product line head in a semiconductor company, I could have never imagined something like that would actually happen.

It took a little while before I was able to take leave of the M&A field. I had recently accompanied the Cypress acquisition all the way to Closing. My time in M&A taught me what it means to be a good entrepreneur and to understand what a company needs in order to be successful. This knowledge and the experience I gained now make it possible for me to take on business responsibility for a product line.

I can encourage everyone to take that step into the unknown, to have the courage to jump into the deep end without knowing for sure what’s in store for you, whether or not you’ll succeed. Infineon has a very strong network and I can count on many people and mentors who support me and give me the help I need. What I particularly appreciate about Infineon is the openness and confidence placed in the ability of those changing careers to tackle something outside their area of specialization and to let them grow in their roles.”

Julia Halasz
VP & Product Line Head IPM
We are ready for the Digital Transformation

We are convinced that the Digital Transformation will also have a decisive impact on HR.

In order to jointly prepare all HR employees for this transformation, we have developed a multi-stage training concept for acquiring digital skills and knowledge. The concept is rolled out in different waves on a global basis. The training spectrum addresses content which is specifically relevant to the requirements placed on HR in an increasingly digital working world. The varied functions and assignments of our HR employees call for different levels of expertise.

Correspondingly, we have defined various qualification levels, ranging from conveying basic knowledge on a topic all the way to qualification as an expert. The primarily digital learning formats offer our HR employees a maximum of flexibility and make it possible for them to continue their training and development wherever and whenever they would like.

Experience for the entire organization
The Digital Transformation has an impact and changes all of areas of our company. Accordingly, the demand for digital skills is increasing throughout the entire organization, skills which have to be properly developed and promoted.

Based on the multi-stage training concept it was possible to test a method in HR for bringing digital skills and expertise to the organization. At the same time the experience gained indicates that, for a variety of reasons, this kind of approach cannot be transferred to the company as a whole. We have therefore launched the development of a “Basic Digital Skills” learning program.

We have conducted research on the most important digital skills and compared them with the requirements at Infineon as the basis for offering our employees a spectrum of online trainings ultimately covering every area of expertise. The “Basic Digital Skills” learning program currently functions as a collection of various LinkedIn Learning courses relating primarily to interdisciplinary “Soft Skills”. In the future, the program is to be expanded in collaboration with the functions to include function-specific trainings for conveying digital skills.
Employee stock programs are an attractive instrument in variable compensation and also have a positive effect on employee loyalty. We at Infineon have offered a stock-based Performance Share Plan (PSP) since 2013 in order to win over employees for key positions and provide them with a long-term share in the company.

This year we reviewed our stock program and have realigned it towards the markets that are important for us. The modifications were made on a worldwide basis due to changes in German regulatory requirements placed on the Management Board and due to the integration of Cypress. The new stock program is now a compensation element reflecting performance, an orientation towards capital markets and incentives for sustainable growth. It is linked to objectives with long-term relevance as well as to employee loyalty.

The result is a two stock programs which will be offered in the future in most countries.

We offer the Performance Share Plan (PSP) as a worldwide and competitive standard for long-term compensation, which renders Infineon even more comparable with our direct competitors than in the past. The allocation conditions are tied to our essential performance objectives (Total Shareholder Return and Environment, Social & Governance – here in particular Diversity and CO₂ targets). These goals apply to all managers at Infineon worldwide.

In addition, a time-based stock plan (Restricted Stock Unit Plan) is being introduced and is available to a larger employee group. This plan orients our efforts closely to locally prevalent compensation models, especially in important markets like the USA, in order to win over and retain important talents.
HR Processes & Infrastructure
HR Processes & Infrastructure

Humans & Machines: Hand in Hand for HR service efficiency

Our employees and managers are at the center of all our actions. Accordingly we maintain a global focus on harmonized HR services based on a consolidated and user-friendly Process and Tool landscape and work environment. HR processes are continuously optimized so that we can provide our HR services in a high-quality, transparent and efficient manner.

We are supported by automation initiatives like our first “digital HR colleague” Paul, who among other things successfully handles the task of sending messages to employees and managers. Paul was also used for fully automated correspondence in the course of our Cypress integration project.

In addition, the digital performance of standard processes, digital signatures and archiving processes were piloted and expanded during the current fiscal year. These digitalization activities support us in the performance of repetitive and high-volume processes as well as in the further reduction of errors on a project-related basis. As a result the information is available to employees and managers around the clock and is constantly being expanded. For example, our HR chatbot, HenRy, is ready to respond to requests on learning topics 24/7.
Conclusion
Conclusion

We hope that our HR Report has given you a good insight into the most important developments and milestones of our HR department in the past fiscal year 2019/2020.

We will continue to pursue our HR strategy and the defined strategic focus areas in the years to come. We will gradually derive the corresponding activities for the area of Human Resources and will retain the flexibility necessary to meet the needs of our business under the influence of external factors.

The acquisition of Cypress is a major and decisive step in the continuing strategic development of Infineon. We have gained new colleagues around the world and we look forward to a shared future together. We will continue our integration activities during fiscal year 20/21.

In addition, we will continue to carefully monitor the development of the COVID-19 pandemic and will take the respective rapid and focused actions necessary to maintain business continuity at all times. This is now one of our main priorities and will remain so during the months to come.

As you can see in this year’s HR Report, our understanding in the HR department is “People create value. HR fosters people engagement”. We want to create the best possible working environment in which our employees can concentrate on this value contribution: Dedicated, healthy and successful employees make a long-term contribution to the success of Infineon.
General

Unless stated differently, our new colleagues (formerly Cypress) are not included in the figures.

Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>8,029</td>
</tr>
<tr>
<td>2020</td>
<td>7,710</td>
</tr>
</tbody>
</table>

Revenue per employee

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue per Employee (€k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>197</td>
</tr>
<tr>
<td>2020</td>
<td>192</td>
</tr>
</tbody>
</table>

Personnel Expenses (Infineon worldwide)

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel Expenses (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,347</td>
</tr>
<tr>
<td>2019</td>
<td>2,533</td>
</tr>
<tr>
<td>2020</td>
<td>2,635</td>
</tr>
</tbody>
</table>

Personnel expenses per FTE (Infineon worldwide)

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel expenses per FTE (€k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>62</td>
</tr>
<tr>
<td>2020</td>
<td>65</td>
</tr>
</tbody>
</table>
Workforce

Employees by region

(Fiscal year 2019)

- **America**
  - 3,446 (3,863)*
- **Europe**
  - 18,664 (18,622)*
- **Asia-Pacific**
  - 16,322 (16,674)*
- **Japan**
  - 209 (208)*
- **Greater China**
  - 1,986 (2,051)*
- **Other regions**
  - 4,850

- **Permanent employees**
  - 13,586*
- **Part-time work incl.**
  - 1,156 (1,116)*
- **Temporary employees**
  - 1,455*

- **Number of employees**
  - 40,627
- **New employees from legacy Cypress**
  - 6,031

* Fiscal year 2019
Workforce

Age profile
(Infineon worldwide 2020)

- <= 30: 19.6%
- 30-50: 61.4%
- >= 50: 19.0%

Age in years / proportion of employees

Assignments*
(Infineon worldwide 2020)

- 62 from Asia
- 111 from Europe
- 10 from USA

Total: 183

External workers
(Infineon worldwide 2020)

- Female external employees: 949
- Male external employees: 1,214
- Total: 2,163

70.1% employed in production

New appointments
(Infineon worldwide 2020)

- Gender profile:
  - Female: 44.2%
  - Male: 55.8%

- Age profile:
  - Under 30: 54.6%
  - 30 - 50: 41.4%
  - Over 50: 4.0%

* International assignments offer our employees the opportunity to work at an Infineon site abroad.
Workforce

New appointments by regions
(Infineon worldwide 2020)

- Greater China: 108
- America (thereof 115 USA): 166
- Japan: 12
- Asia-Pacific: 1,131
- Europe (thereof 454 Germany): 743
- Total: 2,160

Staff departures by regions
(Infineon worldwide 2020)

- Greater China: 174
- America (thereof 182 USA): 579
- Japan: 11
- Asia-Pacific: 1,447
- Europe (thereof 431 Germany): 777
- Total: 2,988

Employee turnover rate
(Infineon worldwide, incl. voluntary resignations and other reasons for leaving)

- 2018: 9.7%
- 2019: 8.3%
- 2020: 7.3%

Length of service in years
(Infineon worldwide)

- 2018: 9.7
- 2019: 9.9
- 2020: 10.6
Diversity & Inclusion

Nationalities
(Infineon worldwide 2020)

- 28.4% 11,548 Malaysia
- 27.0% 10,963 Germany
- 25.5% 10,366 Other Nationalities (102)
- 20.7% 8,315 China
- 8.4% 3,432 Austria
- 4.9% 2,003 Indonesia

Total 40,627

Women at management level
(Infineon worldwide 2020*)

- 16.0% 2020
- 15.5% 2019
- 14.8% 2018
- 13.9% 2017
- 13.4% 2016
- 10.2% 2010

* Data from former International Rectifier locations included from fiscal 2016 on
## Diversity & Inclusion

### Female/male employees per level
* (Infineon worldwide 2020)

<table>
<thead>
<tr>
<th>Level</th>
<th>Female (%)</th>
<th>Male (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle and senior level management*</td>
<td>16.0%</td>
<td>84.0%</td>
<td>7,249</td>
</tr>
<tr>
<td>Entry level management*</td>
<td>28.5%</td>
<td>71.5%</td>
<td>8,208</td>
</tr>
<tr>
<td>Non-management staff</td>
<td>44.8%</td>
<td>55.2%</td>
<td>25,170</td>
</tr>
<tr>
<td>Total</td>
<td>36.4%</td>
<td>63.6%</td>
<td>40,627</td>
</tr>
</tbody>
</table>

* Infineon defines a management function as both employee management and management on the basis of technical expertise according to the internal job assessment system

### Age profile per level
* (Infineon worldwide 2020)

<table>
<thead>
<tr>
<th>Level</th>
<th>Under 30 years (%)</th>
<th>From 30 to 50 years (%)</th>
<th>Over 50 years (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle and senior level management*</td>
<td>58.6%</td>
<td>41.3%</td>
<td>0.1%</td>
<td>7,249</td>
</tr>
<tr>
<td>Entry level management*</td>
<td>3.3%</td>
<td>15.8%</td>
<td>81.0%</td>
<td>8,208</td>
</tr>
<tr>
<td>Non-management staff</td>
<td>30.5%</td>
<td>13.7%</td>
<td>55.8%</td>
<td>25,170</td>
</tr>
<tr>
<td>Total</td>
<td>19.6%</td>
<td>19.0%</td>
<td>61.4%</td>
<td>40,627</td>
</tr>
</tbody>
</table>
Facts & Figures

Training

Training hours per employee
(Infineon worldwide 2020*)

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle and senior level management</td>
<td>12.02 14.54</td>
<td>11.55 13.68</td>
</tr>
<tr>
<td>Entry level management</td>
<td>13.86 14.29</td>
<td>13.86 14.54</td>
</tr>
<tr>
<td>Non-management staff</td>
<td>7.48 6.52</td>
<td>8.25 8.33</td>
</tr>
<tr>
<td>Total</td>
<td>9.54 8.33 10.24</td>
<td></td>
</tr>
</tbody>
</table>

Further training expenses

- 2019: €15.8 M
- 2020: €18.7 M
- 2020: €7.7 M

* Calculated on basis of monthly number of employees in the fiscal year 2020

As a result of the COVID-19 pandemic, in the interest of the safety of its employees Infineon has decided to cancel or postpone all physical classroom training measures which were scheduled up to 31 December 2020. Infineon has transitioned directly to virtual learning ranges and offers specific virtual alternatives to classroom training, e.g. eLearnings of the Infineon Academies, Learning Nuggets, Linkedin Learning, instructor-led webinars, etc. The cancellation of classroom training due to the pandemic has led to a major reduction in training expenses for 2020.
Training & Apprenticeships

LinkedIn Learning consumption
(Infineon worldwide since launch July 2019)

- Consumption in hours: 60,414 k
  - 1.3 Hours of consumption per month and learner

- Viewed videos: 1.2 Mio.
  - 27 Viewed videos per month and learner

Employees in training
(Infineon worldwide 2020)

- Vocational trainees and students on work-study courses: 435
- Interns: 150
- Working students: 1,231
- 149 new hired apprentices included

Apprenticeships

- Apprenticeships courses: 12
- Dual study programs: 16