

# Supplier Code of Conduct

(former Principles of Procurement)

June 2021

# Introduction

As a globally operating company and a member of the Global Compact Initiative of the United Nations (“UN Global Compact”), Infineon Technologies takes its role in the multinational community seriously. We commit ourselves to the principles of the UN Global Compact, considering international and local laws as well as cultural practices, and we adhere to the principles we defined for ourselves in our own Business Conduct Guidelines. For us, sustainability unites social, ecological and economic responsibility. We aim for mutually beneficial relationships with our suppliers and aim to award and do business with suppliers who demonstrate their responsibility in the same manner. Our suppliers shall meet our environmental protection, occupational safety, health protection and other safety requirements. Furthermore, our suppliers shall satisfy our expectations with respect to social and labor conditions in their own business. Consequently, our suppliers shall assume corporate social responsibility and actively contribute to a sustainable society.

# A. Subject and scope

The Supplier Code of Conduct (former Principles of Procurement) reflects the essential business behavior requirements as outlined in our Business Conduct Guidelines, which can be accessed at our corporate website [www.infineon.com/conductguidelines](http://www.infineon.com/conductguidelines). All of our suppliers shall comply with all requirements described herein. In addition, each of our suppliers shall ensure that its affiliates, contractors and subcontractors also comply with all requirements described herein. Each of our suppliers shall comply with all laws and regulations applicable to the manufacture, sale and supply of services, products, materials, tools and equipment and to our finished semiconductor products. Furthermore, each of our suppliers shall adhere to the principles of the UN Global Compact.

## B. Labor and human rights

Infineon Technologies respects and observes internationally proclaimed human rights, including the rights of personal dignity, privacy and equality. We make sure that we are not complicit in human rights abuses, whether directly or by way of beneficial or silent complicity. Our suppliers shall comply with these principles as well.

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

**Forced labor** – Infineon Technologies is against any form of forced labor. Suppliers shall ensure that all work is voluntary. Hence, we demand that suppliers reject forced labor, including indentured labor, bonded labor and any other form of forced labor. Infineon Technologies does not tolerate suppliers that traffic workers or in any other way exploit workers by means of threat, force, coercion, abduction or fraud. All work shall be voluntary, workers shall be free to leave work and terminate their employment or other work status with reasonable notice. Workers must not be required to pay recruitment expenses either in their home country or the country where work is performed.

**Child/underage labor** – Infineon Technologies is against all forms of underage labor. Our suppliers must not permit work to be carried out by persons ...

- 1) under the age of 15
- 2) under the applicable minimum legal age for employment, and
- 3) under the applicable age for completion of compulsory education, whichever is highest.

Exceptions apply to employment relationships in developing countries operating under the International Labour Organization (ILO) Convention 138 or to governmental authorized job training or apprenticeship programs that clearly benefit the persons participating. Furthermore, workers under the age of 18 ("young workers") must not perform hazardous work that is likely to jeopardize their health or safety or that compromises their education (e.g. night shifts, overtime). Suppliers shall have a remediation plan in place, in the event of any underage labor found.

**Working hours** – Our suppliers shall meet local legal working hour and rest day requirements. Suppliers shall ensure overtime is voluntary and paid in accordance with local and national laws and regulations. Suppliers shall keep employee working hour and pay records in accordance with legal local and national laws and regulations. A workweek shall be restricted to 60 hours, including overtime, and workers shall have at least one day off every seven days except in emergencies or unusual situations.

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

**Freedom of association and collective bargaining** – Infineon Technologies expects its suppliers to respect workers' rights to freedom of association and collective bargaining in accordance with local legal requirements. Workers' rights to associate with others, form and join (or refrain from joining) must not be a subject for harassment, or discrimination or retaliation.

**Grievance mechanisms** – In addition, our suppliers shall ensure that their employees are able to communicate and share grievances openly with management regarding working conditions and management practices without any fear of reprisal, intimidation or harassment. The grievance procedures provided shall be accessible and shall include the option to report anonymously where appropriate. Suppliers shall periodically provide workers with information and training on all grievance procedures.

**Third party employment agencies** – Infineon Technologies expects our suppliers to ensure that the third-party recruitment agencies it uses are compliant with the standards and practices covered by Infineon Technologies' Supplier Code of Conduct (former Principles of Procurement) and that they act ethically and, in the best interests of workers when contracting labor.

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

## C. Business ethics

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

- > Abiding by the rules of fair competition and anti-trust laws
- > Working against corruption in all its forms
- > Not taking advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair dealing practices
- > Complying with applicable laws
- > Respecting contractual obligations
- > Avoiding any business behavior which might be considered improper
- > Protecting all confidential information
- > Respecting other parties' intellectual property

Our suppliers shall comply with these principles.

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

**Conflict of interest** – The highest standards of integrity are to be upheld in business interactions with Infineon Technologies. Infineon Technologies respects the personal interests and private life of all employees. We take great care in avoiding conflict between private and business interests or even the mere impression thereof. Infineon Technologies' employees are required to act in a way that promotes our best interests and must disclose possible conflicts of interest. The employees of our suppliers shall refrain from offers that could give rise to the appearance of a conflict of interest for our employees. In case of a potential conflict of interest, e.g. due to family connections, our suppliers shall proactively inform Infineon Technologies.

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

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

## D. Environment, safety, health

**Occupational health and safety** – Infineon Technologies is committed to protect our employees' health and safety. Consequently, our suppliers shall provide a safe and healthy working environment for all their employees, monitor workers' potential for exposure to safety hazards, and minimize all risks and hazards at all workplaces in order to protect the health and well-being of their employees, contractors and third parties visiting the premises. Suppliers shall implement an occupational health and safety training management system determining when and how to use the equipment correctly and educational materials about risks associated with these hazards. Furthermore, our suppliers shall implement and administer an occupational health and safety system according to ISO 45001 or its equivalent.

**Environmental protection** – The protection of the environment is an integral part of Infineon Technologies' business decisions and we are committed to conduct our business in an environmentally responsible way. Consequently, our suppliers shall assume global and local environmental responsibilities and take the necessary steps to protect the environment in the various regions of the world in which they are operating and manage its business in a sustainable and transparent way. Our suppliers shall comply with all applicable environmental laws and regulations, including but not limited to laws and regulations that regulate hazardous materials, waste, air and water emissions. Our suppliers shall train their staff regularly in environmental protection issues. Furthermore, our suppliers shall implement and administer an environmental management system according to EN ISO 14001 or its equivalent. Our suppliers shall minimize the environmental impact of their services, products, materials, tools and equipment at the earliest possible stage. Our suppliers shall strive to reduce their own carbon footprint, examine, track and document all relevant greenhouse gas emissions, and strive for energy efficiency. Upon Infineon Technologies' request, supplier shall provide existing data on emissions on company and/or product level.

**Conflict minerals** – Infineon Technologies is taking systematic steps to avoid the use of conflict minerals in its supply chain that directly or indirectly finance or benefit armed groups in the DRC and thereby achieving and maintaining a supply chain that is DRC conflict free. Therefore, Infineon Technologies accepts only smelters in its supply chain that are certified according to the assurance process of the Responsible Minerals Initiative (RMI). Infineon Technologies expects suppliers to support our effort to identify the origin of designated minerals used in our products by having due diligence measures in accordance with OECD guidelines ensuring that direct materials, parts, components and sub-assemblies supplied to Infineon Technologies are DRC conflict free.

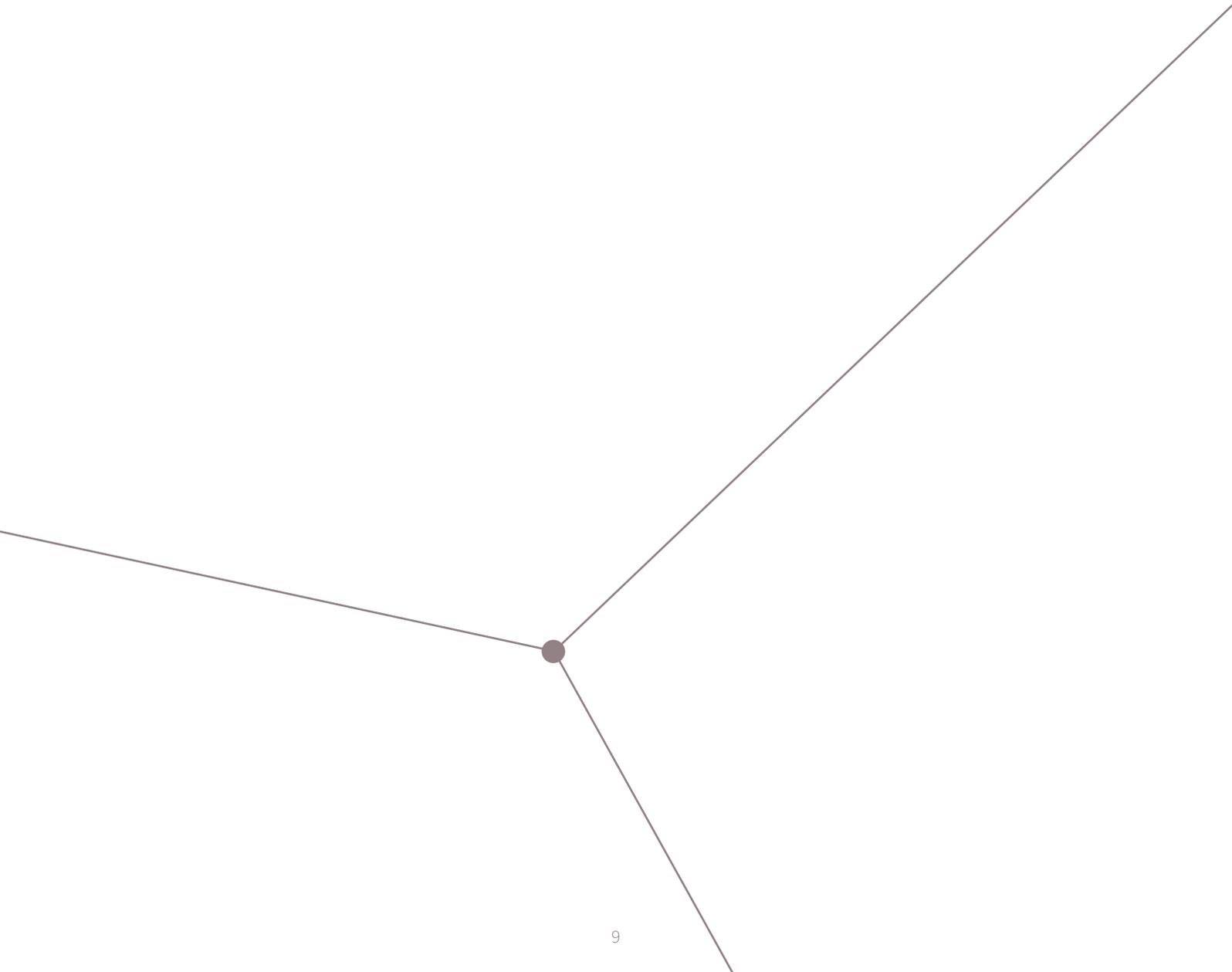
## E. Security

Our suppliers shall strongly support our efforts regarding security in the supply chain and the protection of our assets, in particular our intellectual property and products. Our suppliers shall ensure that their security policies are effectively implemented, regularly checked and continuously improved. Furthermore, our suppliers shall participate in relevant government security initiatives that are designed to strengthen the security of their supply chains and national borders and comply with security regulations defined by these initiatives. Examples of such initiatives include, but are not limited to, the secure trade partner programs according to “WCO SAFE Framework”<sup>1</sup>. In addition, our suppliers shall ensure that their employees, affiliates, contractors and subcontractors and other business partners comply with the applicable foreign trade laws.

<sup>1</sup> Governmental programs according to the “World Customs Organization Framework of Standards to Secure and Facilitate Global Trade (WCO SAFE Framework)” include “Customs-Trade Partnership Against Terrorism (CTPAT)”, “Authorized Economic Operator (AEO)” and “Secure Trade Partnership (STP-Plus)”.

# F. Business continuity planning

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



## G. Management system processes

Our suppliers shall adopt or establish documented and adequate management system processes designed to ensure compliance with this Supplier Code of Conduct (former Principles of Procurement) and with all applicable laws, regulations and standards to identify and mitigate related risks and to facilitate continuous improvement. Our suppliers shall provide us with information thereof upon request.

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