



Infineon Progress Report on the United Nations CEO Water Mandate 2017

Infineon continuous support to water preservation and conservation can be seen in our environmental sustainability practices and concretely in the efficient management of water at our production sites.

1. Our Own Business Activities

Efficient use of water resources is an increasingly important aspect of securing the future, and makes a valuable contribution to sustainability. Optimizing the efficient use of water resources has long been at the core of Infineon's sustainability strategy. For detailed information on resource and water conservation along with our water consumption targets, please visit the pages 19 and 20 of the Report "Sustainability at Infineon - Supplementing the Annual Report 2017": http://www.infineon.com/csr_reporting

In our production sites we monitor the supply, discharge as well as the water use. This allows us to implement the necessary measures to improve the efficient use of water resources.

- In our production site in Tijuana (Mexico) we commissioned since March 2017 a reverse osmosis system for cleaning of waste water. Due to the reuse of that water, we enable a reduction of fresh water consumption.
- Our sites in Regensburg (Germany) and Villach (Austria) use groundwater for cooling purposes. Thanks to that use of water we are able to reduce our electricity consumption. That cooling water is not polluted and can therefore be discharged after its use in the original water body where it came from without any kind of negative impact on the water source.
- Since April 2013 our site in Villach (Austria) obtains electricity via its energy supplier which is originated from 100% hydroelectric power and green energy. Thanks to this sustainable water use we were able to reduce the burden to the environment on around 55,000 tons CO₂ in calendar year 2016.

Climate disasters like storms, floods, drought, and water shortages could mean a considerable impact on our business operations. In order to identify and monitor those risks, our Business Continuity department carries out every year at all production sites a risk identification assessment including the importance of the risks as well as the definition of the measures to be implemented. That way, whenever an incident occurs we are immediately able to verify whether any water supply source is affected and can immediately derive counter measures.

As defined by the WBCSD (World Business Council for Sustainable Development), water shortage begins at a total available amount of renewable water resources of less than 1,700 cubic meters per capita and year. We used the current version of the "Global Water Tool Version" (2015) of the WBCSD to perform a risk analysis at the national country level in February 2017.

Thereafter only one of the production sites of Infineon is in a water shortage area – the one located in Singapore (Singapore). This site consists on office and test areas with low water demands. In the fiscal year 2017, this site consumed only 0.57 percent of the total water consumption of Infineon. However, this site has implemented measures such as the installation of water-saving equipment to ensure efficient water use. As a result of these measures two buildings on this site were awarded the so-called "Water Efficient Building" certificate by the local water authority "PUB".

A technical innovation introduced at site in March 2016 allows us to use the water of the cooling towers in a more effective way. This reduces the annual water consumption on 4,500 cubic meters.

2. Public Policy

Both the supply of fresh water as well as the disposal of wastewater occurs at all sites always in accordance with the local regulations and official requirements.

Furthermore, our environmental experts at our production sites as well as at corporate level are part of industry groups (e.g. European Semiconductor Industry Association: ESIA, Semiconductor Industry Association (SIA) Water Group) as well as part of interdisciplinary local working groups and take part in environmental information exchange forums.

3. Our Supply Chain

Our environmental requirements for suppliers are defined in our Principles of Purchasing. It requires suppliers and service providers to implement an environmental management system, including the responsible use of water.

This requirement is then evaluated as part of the supplier assessment which is performed on the initial step of the business relation. This assessment is repeated on a yearly basis. For further information on this topic, please see: <http://www.infineon.com/cms/en/about-infineon/sustainability/csr-supply-chain/>

In the 2018 financial year, we will introduce a supply chain program for the assessment of those suppliers that are located in a water shortage area or have communicated water shortage risks during supplier evaluation. We want to examine these cases in detail and find solutions for these suppliers in order to avoid possible future risks associated with water shortage.

4. Collective Action & Corporate Citizenship

As part of our Corporate Citizenship Rule, Infineon has defined four strategic focus areas in that field. Two of these areas are linked to the support of projects related to water; "Activities in the field of ecological sustainability" and "Assistance in case of natural and humanitarian disasters".

As natural disasters in the U.S. and Mexico continue to tragically unfold, the Infineon Technologies Americas Foundation committed to a double-match-activity at all American sites, in which every dollar donated by employees to disaster relief efforts was doubled by the Company.

Further information to our Corporate Citizenship activities is included here: <http://www.infineon.com/cms/en/about-infineon/sustainability/corporate-citizenship/>

5. Transparency

The GRI Statement for the report "Sustainability at Infineon" 2017 can be found here:

<http://www.infineon.com/cms/en/about-infineon/sustainability/csr-reporting/>

You will find the corresponding GRI Content Index on the pages 38 of the report "Sustainability at Infineon" 2017, under: <http://www.infineon.com/cms/en/about-infineon/sustainability/csr-reporting/>

Our sustainability website includes more detailed information: <http://www.infineon.com/cms/en/about-infineon/sustainability/>

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