



Infineon Progress Report on the United Nations CEO Water Mandate 2016

Infineon continuing 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 19-20 and 34-36 of the Report "Sustainability at Infineon - Supplementing the Annual Report 2016": 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.

- Our sites in Regensburg (Germany) and Villach (Austria) use groundwater for cooling purposes. Thanks to that use of water we can 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.
- In our largest production site in Malacca (Malaysia) we commissioned a further ultrafiltration system which allowed us since October 2015 to increase the amount of recycled water coming from the wafer-sawing processes. This means also a reduction in the amount of city water consumption.
- 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 could reduce the burden to the environment on 50,000 tons CO₂ per year.

Climate disasters like storms, floods, drought, and water shortages and 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.

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

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 2016, this site consumed only 0.62 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".

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

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/>

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 an example, Infineon Batam (Indonesia) organized in line with the "World Earth Day" a coastal cleaning program through the local Corporate Social Responsibility-Team. Employees participated voluntarily on the activity. Moreover Infineon donated waste containers to help the local communities to participate in environmental protection activities and to increase the awareness on the importance of maintaining our oceans clean.

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" 2016 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 37-41 of the report "Sustainability at Infineon" 2016, 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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