



HR Report 2021



People create value.
HR fosters people engagement.

www.infineon.com/hrreport



Content

Introduction	3	Organization	27
		Enabling strategy execution	28
HR @ Infineon	4	Strategic workforce planning and people analytics	29
Our understanding: People create value. HR fosters people engagement.	5		
The purpose of our HR Pillars	9	People & Leadership	30
People engagement as a success factor	11	Leadership @ Infineon:	31
HR as driver of digitalization	12	A pressing role in times of the pandemic	
Understanding our HR customers: HR customer survey and self-assessment	13	Ready for (virtual) onboarding!	32
Updates from the regions	14	Careers Project – for an inspiring and attractive career environment	33
		ARISE – Connecting people and technology	34
Live @ Infineon	15	Next step toward digital transformation	35
HR's central role in integrating over 6,000 new Infineon colleagues worldwide	16		
New Work – the future of employment	17	HR Processes & Infrastructure	37
COVID-19 – Ongoing efforts to navigate through the pandemic	19	Automation of HR Processes – Key for quality, efficiency and customer experiences	38
Managing the cycle in recruiting	20		
		Conclusion	39
Culture	21		
Diversity & Inclusion as corporate culture	22	Facts & Figures	41
Focus on employee health & well-being	25		

Introduction

Dear Reader,

Welcome to our HR Report 2021. Once again, an exciting yet challenging year lies behind us.

The global pandemic continues to shape the way we live and work. Of course, the health of our employees remains our highest priority. Therefore, we continually reviewed the COVID-19 measures we have implemented to ensure the well-being of our employees around the globe and to provide the best possible support in these dynamic times. In parallel, we are mindful of the need to ensure business continuity especially in the face of rapid growth, tougher market competition, and an increased focus on the semiconductor industry across the economy.

In the last fiscal year, we continued to pursue our strategic priorities with our HR focus areas. In order to foster people engagement and create a positive employee experience, we are driving digitalization with standardized processes and services. Further developing as a function to prepare for the future is key for us as a global HR team.

The pandemic also acted as a global accelerator of change, propelling the world towards the future of work; a future shaped by digitalization and closer collaboration between people and machines. This was one of the key topics we addressed over this past year through our New Work initiative.

New Work goes far beyond the concept of mobile working to also evaluate the impact of new working models on our culture, collaboration, and the development of our workforce.

Another strategic challenge is the exponential rise in open positions across Infineon. Finding the right people in critical talent markets is essential for the growth of our company.

We reviewed our recruiting activities – and successfully activated a concept to meet our high demand for new hires.

For us, this is the key to success – as people are our most valuable assets. We focus all our HR activities on putting people at the heart of everything we do.

A special thanks goes to all my HR colleagues worldwide for their dedication, commitment, and hard work. They powered our HR successes in the 2021 fiscal year. It makes me very proud to have such a great global team.

I hope you enjoy reading our HR Report 2021!

Yours,
Markus Fink
Executive Vice President & CHRO



HR @ Infineon

HR @ Infineon

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 can 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 society faces 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 supporting our employees and managers. High levels of enthusiasm, energy, and motivation are essential in achieving greater job performance, creativity, productivity, and innovation. Attaining this goal is our major objective at Infineon.



People create value.
HR fosters people engagement.

Therefore, our HR understanding that we defined in 2020 still remains valid and is systematically anchored throughout our organization: **“People create value. HR fosters people engagement.”**

To further strengthen our ambition, we developed a People Philosophy that explains how we approach people-related topics here at Infineon, and what one can expect when working for Infineon. It also sheds light on our expectations towards our current and future employees, while showing what we – as an employer – offer to support them. HR will continue to provide and develop HR solutions which best support Infineon’s People Philosophy. Based on our understanding, we want to foster people engagement through positive employee experiences across all dimensions of working for Infineon.



Globally, as a HR team, we are on the right path to improve the employee experience and foster people engagement; we are even able to measure this engagement.

Our strategic focus areas guide us, also keeping us close to the needs of our people and the business.

Markus Fink
Executive Vice President & CHRO

Our People Philosophy



Our People Philosophy

We as leaders, lead

Leading at Infineon means to act across boundaries, both virtual and physical. This requires being authentic, open to new experiences, curious, and acting as role models. A culture of trust enables but also expects employees to take responsibility. Leaders act as mentors and coaches for their employees. Leaders take ownership for their organizations. Leaders create the environment in which employees act and have the influence to increase people engagement.

We give and receive feedback

We encourage an open and honest feedback culture and facilitate exchange. Feedback is essential to foster innovation and a culture of collaboration, trust and dialog.

We appreciate diversity

The excellence of our organization lies in its unique strengths and diversity. We embrace the power of diversity to make Infineon more successful. Inclusion is part of our everyday business and manifests in an environment where people feel comfortable and can speak their minds.

We collaborate

We can move mountains as a team. When employees come together as teams and teams turn into organizations – that is the foundation of a people oriented company. Thus, we need every employee and leader to contribute to building this foundation while collaborating closely.

Our People Philosophy

We grow ourselves

We want to foster the full potential of our people to outperform competition. We offer a variety of individual learning and development opportunities to grow talent and build competencies for our future success. Employees must take responsibility for their own development and drive their careers, while leaders empower employees to develop and succeed.

We mind health

Our employees' health and well-being matter to us. Recognizing the demands of work and life, we are dedicated to providing the right conditions for a safe and healthy working environment: comprehensive medical, health protection and health promotion services, and a culture of health and well-being. Employees are encouraged to take responsibility for their positive health behavior.

We live up to our role

Effectively designed organizations with transparent targets and clear roles and responsibilities, where everyone knows their contribution to Infineon's success are key. We build the foundation to be able to team up for best results and deliver high-performances. A future working environment, shaped by our relationships and needs, allows us more flexibility and agility, but it also requires more adaptability and responsibility from each of us. We live up to our governance and compliance responsibilities in our roles.

We perform and are rewarded

At Infineon, we often go the extra mile to achieve our ambitious targets. Our market-competitive and performance-based compensation and benefits model supports us in providing employees with recognition and rewards for their work. We share risks and success with our employees through strong correlation between compensation and company success.

The purpose of our HR Pillars

Building on our four HR pillars described below and on a strong sense of collaboration and solidarity across our entire HR department (acting as “oneHR”), we want to foster employee engagement. Hence, we shape the employee experience at Infineon as one global team.

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 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 Centers continuously develop, implement, and improve HR solutions and services for everyone at Infineon, providing support with specialized expert knowledge and making 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.

In doing so, we focus on the business requirements and continuously develop our HR department. Over the past fiscal year, we developed a target model for our future HR Shared Services function at Infineon. We will gradually roll this out over the coming fiscal year. In addition, we focused on further developing our HR Business Consulting organization. The overall focus is on creating a positive customer experience for our employees and managers, and on further harmonizing, standardizing, and digitizing end-to-end processes and services.

Strategic focus areas - Culture, Organization, People & Leadership, HR Processes & Infrastructure

Our organization is oriented towards the following four long-term strategic HR focus areas as defined in 2020. They and are the basis for the ongoing definition of the focal points of our work.

Culture

In our strategic focus area “**Culture**”, we build a sense of solidarity and a strong culture across the company. This focus area covers the establishment of a continuous feedback and coaching culture, promotion of diversity and inclusion in all their dimensions, as well as the firm anchoring of our People Philosophy throughout the company.

People & Leadership

“**People & Leadership**” spotlights the development of employees and managers. Activities center on the expansion and addition of innovative and appropriate learning formats, as well as on digital upskilling. Further aspects include continuing to reinforce Infineon’s Leadership Principles, keeping our global career path framework up to date, and offering competitive compensation which rewards individual performance.

Organization

The strategic focus area “**Organization**” consolidates organizational development priorities. We support transformations at Infineon and develop the necessary capabilities within the company. We implement the working conditions of the future based on local needs. In addition, we support our corporate units with organization assessments and organization design consulting, people analytics, and strategic workforce planning.

HR Processes & Infrastructure

The fourth strategic focus area, “**HR Processes & Infrastructure**”, concentrates on us as an HR function and on our infrastructure. The priorities here are user-friendly and standardized HR processes and systems. This entails driving digitalization and automation as well as the continued evolution of the HR department.

People engagement as a success factor

Strong employee orientation

Infineon is an employee-centric company, a mindset reflected in our strategic focus on people engagement. People engagement is defined as the emotional and intellectual commitment of employees to their organization.

What does that mean? Essentially, engaged employees care about their work, know their job responsibilities, and understand how their efforts contribute to the success of the organization. Truly engaged employees are more satisfied, bring passion and interest to their jobs and teams, are more innovative, and drive value for customer success. Ultimately, people engagement has a clear business impact. Organizations with highly engaged employees perform at higher levels and are more successful.

The goal is to be in continuous dialog with employees

Creating an environment conducive to high engagement levels starts by understanding employees' needs and drivers of engagement. Our new global bi-annual Engagement Pulse Checks provide insights into the mood of our organization by providing regular feedback on topics such as strategy, targets, management support, diversity, and fair treatment.

This feedback helps us to set priorities and to be responsive in a fast-changing business environment. As drivers of engagement vary by department and region, we have provided managers with access to the data relevant to their area of responsibility. Based on the findings, they can start a dialog with their teams and foster an environment conducive to high engagement.

At a glance

Results of the Engagement Pulse Check in February 2021

We achieved a high global response rate of 66%. For the two main items: "How happy are you working for Infineon?" and "I would recommend Infineon as a great place to work", we achieved a high favorability score of 83% which in total leads to a high overall global Engagement Index of 80/100.

HR as driver of digitalization

Few topics impact companies as much as the change brought about by digital transformation.

HR plays a key role in Infineon's digital transformation process. While IT takes care of the technical aspect, HR's role is more focused on the human aspect. For HR, the focus is on changing existing mindsets, actively shaping the culture, and supporting the development and attainment of the right competencies. In addition, HR wants to contribute to this transformation as a role model by taking responsibility for its own digital transformation.

From employees to "HR customers"

We want to create a smooth, seamless digital experience for HR customers. The shift to talking about "HR customers" recognizes that HR serves people with and without employment contracts, including employees, managers, candidates, and alumni. It also underlines HR's ambition to become more customer-centric in the design and delivery of HR service offerings.

A key element of our HR strategy entails putting people at the heart of everything we do. To bring this strategy to life, all HR solutions will be designed around the needs of HR customers and thus contribute to a positive employee experience. This approach includes addressing HR customer journeys rather than isolated processes in order to establish a satisfying experience that leverages end-to-end digital data flows and automation. Furthermore, we want to design an environment enabling HR professionals to provide exceptional service while also giving employees the space to focus on their contribution to the company.

The importance of digitalization is also reflected in our corporate strategy. One of Infineon's four strategic HR focus areas is HR processes and infrastructure.

The emphasis here is on user-friendly and standardized HR processes and systems. This includes driving digitalization and automation as well as continuing to develop HR.

Digitalization and collaboration milestones in the past financial year include the expansion of online and virtual trainings as well as virtual leadership development. We continued with our efforts to upskill the HR team with digital skills.

Understanding our HR customers: HR customer survey and self-assessment

HR customer satisfaction survey & HR self-assessment 2021

Feedback from our employees is an important indicator of where we stand relative to our ambitions. We conducted our yearly HR customer satisfaction survey to ask a sample of our managers and employees how satisfied they are with our work and HR products. In parallel, we conducted an HR self-assessment to also understand how we perceive our own work.



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At Infineon, we want to win our customers' hearts. For HR, that means we want to win our employees' hearts with our HR services.

The key success factor here is state-of-the-art digital

interfaces, enabling us to talk with our customers and also connecting with our employees.

Helmut Gassel
Chief Marketing Officer

At a glance

Results of the customer satisfaction survey

We are pleased with the feedback we received and the overall satisfaction levels reported by the participants. Respondents were generally satisfied with the support they received. Nevertheless, there are still some areas we need to look into. Reflecting our commitment to continual improvement and to building a positive employee experience, we will continue to develop the HR tool and process landscape by strengthening system integration and user friendliness.

Updates from the regions

Like everywhere else in the world, this fiscal year was marked by the global pandemic across all our regions. In addition to keeping our business running globally, attention this year focused on integration of our new colleagues from Cypress. Let's take a closer look at our regions over the past months and the key takeaways:

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Asia Pacific

“Over the year, we built on our strengths, harnessing the synergies from the acquisition of Cypress. Adding 6 sites to the Infineon family beefed up regional staff numbers to an impressive 19,000.

The business in Asia Pacific recovered strongly and grew steadily over the year. Korea, India, and emerging markets such as Vietnam moved into the spotlight alongside our traditional strongholds such as Singapore and Malaysia. We capitalized on and harnessed social media in our search for talent to support our growth, revamped our talent management program across Asia to fuel our future needs, and enhanced our retention strategies.

HR plays a key role in our digital transformation journey, supporting the reskilling necessary for us to transition into a global AI hub for Infineon. Our diversity, inclusion and health initiatives focus on holistic employee wellness and well-being, creating a culture of positivity and providing mental health support to combat the effects of pandemic fatigue and prolonged physical distancing. Equipping our leaders with the right skills and honing their leadership competencies with a strong focus on good communication provides the foundation we need to engage positively with our most valuable assets – our people.”

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Greater China

“Over 400 employees were integrated into the Infineon Greater China region and of course, onboarding and integration remains an ongoing process. HR Greater China contributed to strong business growth in the region by recruiting, hiring, developing and engaging talent through a variety on initiatives. Promoting a great workplace through using engagement surveys to collect and track employee opinions with follow-up action in order to nurture people engagement. In addition, initiatives were taken up to build and develop talents and leadership pipelines by offering general and individual development plans”

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Americas

“A challenging year under the COVID-19 pandemic lies behind us, one that required close collaboration across our sites. But we pushed ahead with new activities. One definite highlight was the pilot project for the new office workshare options as part of the New Work initiative. Other highpoints included measures to promote personal development and, in particular, leadership development. With the development of the “Compass” virtual leadership journey, we support our leaders in navigating through change, developing resilience, and reframing resistance. Another exciting project was the launch of the BetterUp virtual coaching platform focused on supporting leaders, as well as the regional mentoring and coaching program, which has now drawn 22 participating mentors from our business groups.”

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Japan

“For our region the Cypress integration had a high impact on the Japan organization with a doubled revenue, a tripled headcount, as well as the number of sites tripled with new divisions and functions present now in the Japan region. In the current pandemic situation, we had to set the right priorities and work closely with all stakeholders, to successfully complete the necessary activities as planned.”



Live @ Infineon

Live @ Infineon

HR's central role in integrating over 6,000 new Infineon colleagues worldwide

With the acquisition of Cypress, we have combined the strengths of Cypress and Infineon to create one of the top 10 semiconductor manufacturers in the world. This marks another major step forward in the execution of our long-term strategy of “Linking the real and the digital world.”

The integration of Cypress continues to be a high priority for our company

Even though we have already been successful in many areas of this process, we will continue our integration efforts throughout the company. Over the past financial year, we were able to transition over 6,000 new colleagues into our organization, processes, policies, systems, and compensation logic, while also starting the necessary onboarding and training measures at individual and team levels. This is an important step to successfully integrate the new employees and managers.

The integration of a large company like Cypress comes with many changes, challenges, and opportunities, both for Infineon as a company and for its people as individuals.

HR is actively supporting the integration process with significant strategic, financial, and cultural contributions. Thanks to our change strategy, employees worldwide are accompanied through the integration process, whether in the form of a buddy system or the newly developed “onboarding journey”. Right from the early stages, we made sure to create complete transparency about what employees can expect when working for Infineon.

Mastering the onboarding process under special conditions

Despite the challenging conditions accompanying the COVID-19 pandemic, we found new ways to welcome our new colleagues and integrate them into the work process at Infineon. Virtual tools allowed us to hold virtual “welcome” meetings, keep the flow of information going, and, at the same time, replace face-to-face interaction in the best possible way.

Integration efforts have since been handed over from the central project to the line organizations. Thanks to great teamwork and collaboration, we have got this far and this basis will continue to guide us in our ongoing integration efforts as we tackle the remaining tasks.



Global Onboarding Journey

New Work – the future of employment

The importance of New Work is accelerated by megatrends such as digitalization, artificial intelligence, and human-machine collaboration. Most recently, the coronavirus pandemic provided added momentum. It was viewed by many as a time machine, propelling us into the future of work. New Work changes that were predicted to take place over the coming decades suddenly took place over a period of just a few weeks. At Infineon, we had already implemented many digital tools and processes that helped keep our business running successfully during the pandemic, and we constantly improved our offerings during the crisis to support our employees and managers who were working remotely.



Leveraging and expanding the foundation

Most of our office staff can already work from home. Thanks to LinkedIn Learning and further trainings, we enable our employees to acquire future skills for new ways of working.

Our “New Work @ Infineon” initiative will help ensure competitiveness and innovative strength in the future, extending far beyond the question of how many days our employees will have the option to work from home after the pandemic. Meetings, personal follow-ups, and workshops can also take place virtually in the future. More digitization will bring more change. For example, greater automation will have an impact on which activities will be performed by humans and which by machines in the future. This, in turn, will also have an impact on collaboration.

These changes in tasks, jobs, processes, and collaboration will require new skills and competencies on the part of both employees and managers. Technologies will not replace people, but will allow us to focus on what we can do better than machines. These changes will also have an impact on our culture, community, and sense of well-being here at Infineon.

New Work Motivation, New Work Core Beliefs, New Work Measures

To ensure that the right actions are taken, a triad of New Work Motivation, New Work Core Beliefs, and New Work Measures has been defined.

New Work Motivation focuses on defining the “why”. New Work contributes to achieving our corporate goals while safeguarding the interests of all our stakeholders, employees included.

As premise, the New Work Core Beliefs provide the necessary framework for our future way of working. They indicate what will change from our perspective in the future of work, and the elements we would like to retain from today’s culture.

Implementation in three tracks

The alignment and implementation of New Work measures were divided into three tracks.

- › The “must-have” measures to achieve business goals immediately after the pandemic, including a remote work policy that comes into effect after the crisis.

- › “Try & learn” measures with the goal of letting the organization learn about elements where we need to find the right fit for Infineon because there is currently no clarity about the right approach or consequences.
- › The third track is about “trends”, and thus about measures in the future, which include things we are not currently aware of, so we will address these issues as we encounter them.

In summary, it can be said that we are already living New Work in our working world. Infineon’s culture is characterized by a strong “people orientation” that puts people at the center of everything we do. Trust, personal relationships, and strong networks are and will remain the basis of our collaboration – even as we step into the New Work future.



The future of work will be significantly influenced by digitalization and we want to shape this transformation for the benefit of Infineon and its employees. Over the past year, the New Work project team has laid an excellent foundation.

We want to leverage our curiosity and learn as we go in order to identify areas where we need to adapt or can further improve. In addition, I am excited to enter into the third phase of the project, where we will take a deeper look at the trends and jointly develop a vision for the future of work at Infineon.

Constanze Hufenbecher
Chief Digital Transformation Officer

COVID-19 – Ongoing efforts to navigate through the pandemic

The COVID-19 pandemic remained a predominant theme over the past fiscal year.

Of course, we continued to continually review the COVID-19 measures we implemented to ensure the well-being of our employees and the continuity of our business – both matters of top priority to us.

The COVID-19 taskforce, convened already at the beginning of the pandemic, continued to operate in recent months. For us it was of utmost importance to make sure that we comply with the applicable local regulations at all of our locations across the globe and to have appropriate safety and hygiene concepts in place.



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Once again, the COVID-19 pandemic kept us on our toes over the past fiscal year. The crisis management teams at our sites and our IT service did their very best to protect our people against the risk of infection and enable them to work from home without any problems.

Infineon undertook numerous measures to optimally support and safeguard our employees and the business with different successful test and vaccination concepts at our sites.

In addition, since the beginning of the outbreak, Infineon and its regional entities have launched or joined 22 initiatives to mitigate consequences of the COVID-19 pandemic and support people locally in countries like Malaysia, India, Singapore, Austria, Hungary, the U.S., China, and Germany.

Working from home ongoing

Even before the COVID-19 pandemic, home office, mobile working, and virtual collaboration shaped many areas of

everyday working life at Infineon outside production. Special virtual learning offers have helped our managers navigate through uncertain times, organize themselves, and coach their employees and teams while working from home. We constantly extended and improved our offerings to support employees and managers in this situation. Especially after so many months dealing with this exceptional situation, the challenge now lies in maintaining an upbeat spirit and combatting “pandemic fatigue”.

As mentioned above, the New Work initiative will evaluate the practical learnings gathered over the past months to see what we can take away from this time for the future.

Our training providers and academies in particular really excelled in their efforts to ensure that restrictions on classroom training did not compromise further development opportunities for our staff.

Existing classroom trainings were converted into virtual formats and made available. Under a new agreement, our production staff now also benefits from LinkedIn Learning.

Given the rapid evolution of digitalization and automation at our plants, a continual learning journey is more essential than ever for our people.

In addition, employer representatives and the Central Works Council have laid the foundations for new ways of working post-pandemic. We made a conscious decision to look beyond rapid, radical solutions in favor of an agile approach enabling us to align over time with the huge bandwidth of experiences and wishes expressed by employees and managers.

Ronald Künemund
General Works Council Chairman

Managing the cycle in recruiting

The number of open positions tripled at Infineon over the course of this fiscal year, up from 800 open positions globally to more than 2,400. Our task was to manage this exponential increase in demand for talent. At the same time, an ever-rising number of hard-to-fill functions required a new, specific approach and even closer collaboration between HR and the Business.

The “Recruiting-Push” as core enabler of profitable growth and system competence building

Our Power & Sensor Systems division (PSS) was the pioneer. As early as April 2020 – as the COVID-19 pandemic was beginning to unfold – they announced a strong headcount build-up involving roughly 400 new positions spanning all kinds of profiles, including hard-to-fill functions around the globe. It was clear: We would not be able to fill these positions with standard recruiting activities. So, we set up a global, interdisciplinary team to start Infineon’s very first “Recruiting-Push”. We needed to move away from a job-by-job recruiting approach so this integrated Recruiting-Push focused on job clusters to help fill positions more quickly.

We were able to fill more than 500 positions within 12 months for the Power & Sensor Systems division. This included convincing top candidates to switch employer during a global pandemic and generating more than 1 million impressions on social media – all with a limited external marketing budget.

Already now, the “Recruiting-Push” set-up has become the “new normal” for large-scale recruiting

With the strong increase in open positions across Infineon globally, this Recruiting-Push concept set the bar and has since been activated. It combines three important factors:



Culture



Culture

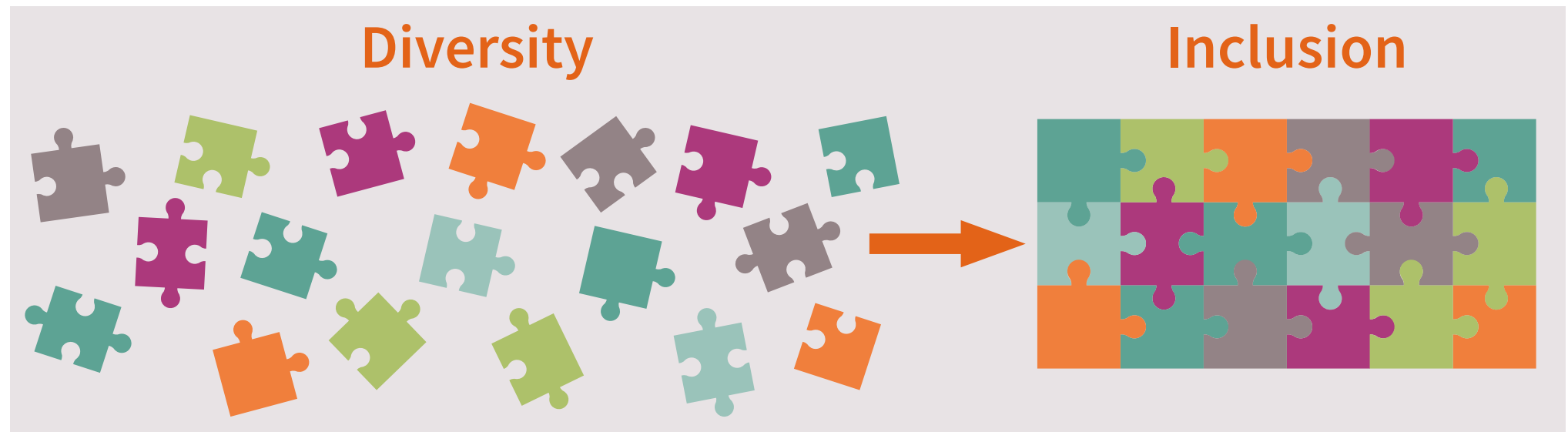
Diversity & Inclusion as corporate culture

We are proud to be a diverse company with colleagues from more than 100 countries spanning different generations and the widest possible variety of backgrounds. For these diverse employees, an inclusive culture is personally important and the basis for our company's success. We therefore work to create an inclusive working environment in which everyone can make their contribution, free of prejudice and with equal opportunities. We are convinced that this approach helps foster creativity and innovation, also increasing personal satisfaction levels.

We support this with several activities and offers. One noteworthy example is our global Diversity & Inclusion (D&I) framework, where we elaborate even more on inclusion to ensure that we live an equal opportunity culture and foster employee engagement.

Over the past year, we also further developed solutions for our D&I awareness and competency starting points, e.g. raising awareness of unconscious bias as a potential barrier to Diversity & Inclusion.

One key vehicle in raising awareness and building knowledge was a new D&I Toolbox that supports the organization in all D&I issues and provides practical tips and tricks. Amongst other topics, the toolbox included information on: "Unconscious bias", "Inclusive language", as well as "How to support work-life balance" and "Managing multi-generational teams".

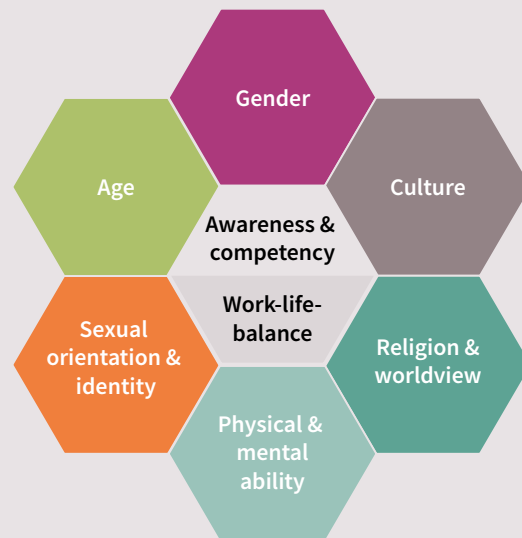




Diversity & Inclusion Toolbox

To accompany this, we also developed a virtual D&I learning journey on LinkedIn Learning for our employees to foster knowledge building across the company.

In this context, we have also set ourselves a new global gender diversity target*, aiming for a share of 20% female colleagues in leadership positions by 2030.



D&I toolbox overview



Diversity & Inclusion are important success factors for our company and crucial drivers of innovation and competitiveness.

We value our differences, e.g. in terms of age, gender,

and culture, and we make sure that different perspectives are heard and well represented in our organization. By embracing these differences, all our employees and the company benefit from diversity.

Sven Schneider
Chief Financial Officer

*US Legal Disclaimer: The following sections on KPIs are limited to non-US jurisdictions and will only serve as aspirational goals/guidance for the Americas region. KPIs, such as targets or quotas, in any employment decision is unlawful in the U.S. No figures / hard numbers or percentages are used in any employment decision (e.g. recruiting, hiring, promoting/demoting, mentoring, retaining, terminating, etc.) or as metric for compensation in the U.S.

Our first virtual Global Diversity Day 2021

Over the last year, the main event to increase D&I awareness and competence throughout our organization was undoubtedly our first virtual Global Diversity Day, held on 20 May 2021. With more than 45 virtual sessions and over 30 hours of informative content, we covered a wide range of D&I topics.

This event was met with high interest across our organization with almost 4,000 registrations for the virtual learning sessions. The sessions themselves were predominantly held by employees and managers as experts or allies, supported by a selected group of external speakers. The sessions helped build knowledge and sparked conversations within the global organization.

One of the highlights was also the video we launched during that day which featured many colleagues from around the world. It showed how our diversity can spark creativity and innovation, and how important a sense of belonging is to all of us.



Finally, we challenged our employees to show us what Diversity & Inclusion means to them under the hashtag #DiversityDayChallenge, and we were impressed by the creativity of so many participants from around the world.



Global Diversity Day
2021 | 20 May
Diversity & Inclusion
begins with us.

Focus on employee health & well-being

The health and well-being of our employees are particularly important to us. Accordingly, we ensure a healthy working environment and help our employees master the challenges of today's working world. This is particularly important during the exceptional times of change brought about by the COVID-19 pandemic.

As part of our Corporate Health Management, we support our employees with a variety of measures to promote a healthy lifestyle and good working habits. The wide range of programs and initiatives worldwide include access to company doctors, social counseling, professional reintegration management services, health checks, sports programs, and innovative approaches to health promotion.

In addition to the physical health of the individual and the promotion of self-care, we pay particular attention to an intact working environment. This includes the prevention of accidents and work-related diseases, assistance during acute illnesses, as well as the support of health literacy and healthy behaviors.

In addition to being a caring employer, we attach great importance to the mental health of all employees. Therefore, we launched global mindfulness sessions for employees and also established several regional and local mental health activities.

With the virtual training on “Healthy Leadership”, we give participants an opportunity to learn more about leading a healthy organization while also being a good role model as a manager. To accompany this, we also provide our employees with a collection of curated virtual trainings as part of a “Health and Well-being” LinkedIn Learning journey.

Here are some examples of how we promote a healthy work environment and lifestyle around the globe:



InFit Get Active Challenge – Infineon Americas

This year, we once again set ourselves the InFit Get Active challenge. The goal for this six-week step-counting

challenge was to beat the collective record of 478 million steps achieved together in 2020.

InFit is framed by the “Infineon cares” umbrella – the regional commitment to team-building and camaraderie, to fitness of body, mind and spirit, and to making a positive impact on the world around us. With InFit, we aim to support a healthy and happy community for all Americas employees.

How to stay fit in the office or during work from home – Infineon Austria

Our vision to protect and promote health is part of our corporate strategy aimed at preventing illness at the workplace regardless of whether the employee's desk is at home or at the company. Covering a wide range of health topics with tips, tricks, and information on health and active lifestyles, the health team in Austria shares responsibility for employee health and actively supports employees in the best possible way.

World Health Week – Infineon Asia Pacific

“Building a fairer, healthier world”. Under this motto, Infineon celebrated the 10th World Health Week with a series of BERI (Boost, Energize, Relish/Reuse, Interact) activities from 5 April through 6 May 2021. The event was accompanied by Infineon's 30-day “Workout” fun charity challenge, where the proceeds from more than 120 available activities were donated to a good cause. During this challenge, Infineon Asia Pacific measured which team burned the most energy.

Health can also be virtual – health offerings at Infineon Warstein

During the COVID-19 pandemic, it is more important than ever to take care of one's health. Work-from-home jobs and the loss of many sporting opportunities or activities in everyday life call for a rethink. Under the motto “Health is also possible virtually”, Infineon's health offerings at the Warstein site focused on three actions with the goal of improving the health of all employees and offering them the opportunity to lead a balanced and sustainable life during this time – at work as well as in their free time:

- › Health lecture “Body explain”: This lecture raises awareness about the importance of exercise and implementing sustainable exercise in companies
- › Nutrition lecture “Food for body and soul”: This lecture helps participants understand nutrition and eating behaviors, explaining their effects on body and mind
- › Lecture “Immune Power”: This session focuses on building a strong immune system, especially against the background of the COVID-19 pandemic.

GoWell initiative – Infineon Melaka

Infineon Melaka is continually engaged in fostering a healthy working environment and employee well-being. In January, the team introduced GoWell, an initiative that further builds and improves on the foundation of HAPPY, the “Healthy Active People Program for You”, initially launched in 2016. HAPPY focuses on healthcare and, in recent years, was enhanced to include a more holistic approach spanning the “6 dimensions of well-being”, namely physical, psychological, financial, social, workplace, and ethics. GoWell is now the next evolutionary step in the development of health and well-being offerings at Infineon Melaka.

By introducing Well One as part of the GoWell initiative, we also added a digital perspective. Well One is an application through which employees can participate in various challenges, such as the “Movement Within Movement Control Challenge” which is meant to encourage an active and healthy lifestyle and to promote fun and social engagement among employees, especially during the pandemic.

Organization

Organization

Enabling strategy execution

Translating our strategic imperatives and challenges into the right organizational operating model and design remains one of the key success factors for strategy execution. This year was still marked by the integration of our new colleagues joining from Cypress. We provided consulting support in projects triggered by strategic reorientation and sustainable integration efforts.

Using an integrative approach

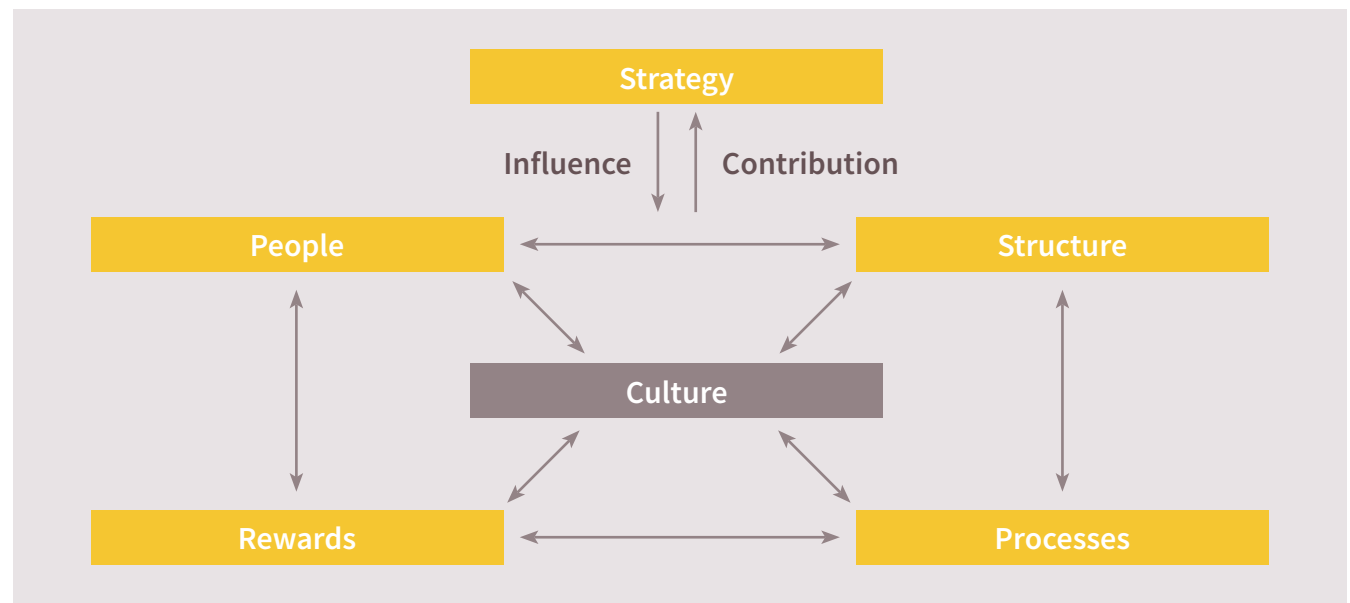
We see the organization as a holistic system covering structures and processes, people and leader capabilities, measurement and rewards systems, as well as cultural components.

All of those are addressed by our integrative approach. In our project set-up, the expertise of organizational design specialists is blended with that of transformation experts to offer seamless, end-to-end support. Connections to existing learning formats and our ongoing leadership development efforts complement this holistic approach.

Enabling the organization

Successful transformations can only happen if transformation expertise and corresponding transformation agents are widely embedded throughout the overall organization. Therefore, we invest in upskilling wider communities within Infineon and driving community approaches accordingly.

In January 2020, we kicked off an active worldwide network of change management practitioners from business and central functions coordinated by HR – the “we.create.change.club.”



Strategic workforce planning and people analytics

Strategic workforce planning

A rapid change in technology and intense globalization is forcing organizations to constantly review their overall business strategies. Strategic workforce planning aims to translate the business strategy into a workforce strategy. It enables specific measures to ensure business success through a more engaged, skilled, and sustainable workforce.

Infineon is just starting

Infineon has begun to implement strategic workforce planning. Various elements have already been developed, enriched, and tested based on benchmarks and cross-industry best-practice sharing.

The goal is to align workforce investments with business objectives to support acceleration of change and ensure the organization is well set up to reach its targets. We aim for a pragmatic approach that supports our businesses by answering the right questions about workforce development.

People analytics meets the challenge

People analytics extends our capabilities to support data-driven decisions that impact the workforce. Leveraging high data volumes available and mature analytical capabilities, we believe that insights into the organization can help foster better business decisions.

In the past fiscal year, the first people analytics measures have already been provided. For example, supporting the gender diversity KPI simulation for the ESG target (Environmental, Social & Governance) or supporting the reskilling sub-track of the ARISE initiative in Singapore. We also implemented a people analytics community across HR to bring all relevant perspectives to the team and work across the whole HR function to maximize the output of people analytics.



People & Leadership

People & Leadership

Leadership @ Infineon: A pressing role in times of the pandemic

When the pandemic hit in early 2020, Infineon – like many other corporations – was challenged to quickly react in two pressing areas. First, to support our leaders in a pragmatic, hands-on and creative way with crisis management skills and upskilling in remote leadership, and by helping them to build trust over distance, reorganize work structures, and collaborate over digital technologies without losing traction in a highly volatile time. Second, to rethink our leadership training portfolio, offered to date in a high-quality, proven classroom setting.

To relieve tension and enable our leaders to confidently lead through the change of working from home, we offered multiple short, 1-hour upskilling sessions on “Remote leadership” and “Collaborating in a remote environment via Webex”. More than 2000 leaders attended the sessions. The same has been offered to an even broader range of employees (“Working from home – Tips and best practices”).

In parallel, we virtualized many leadership trainings to deliver fully virtual versions. Leveraging breakout sessions, peer assignments, engaging interventions, and multiple tool solutions, these new formats received great feedback from our Infineon leaders.

Offering a blended, on-demand mix of enablement formats such as short 1-hour upskilling sessions, multiday leadership trainings, self-paced reading material, on-demand virtual learning with LinkedIn Learning and our very own signature Learning Nuggets (one-page learning formats answering a dedicated question), we could meet the growing demand for enablement.

In addition to virtualizing leadership trainings for the broader leadership population at Infineon, we created a tailored, highly exclusive general management program in collaboration with the INSEAD business school targeted specifically at top management. Starting in October 2021, our top managers are being invited to join the IGMP – Infineon General Management Program. This six-month program will focus on Personal Leadership Development, Organizational Design, and Core Innovation Process Excellence while also providing a general management toolkit.



We need a goal, a plan to achieve that goal, and a focus on results. We need to lead ourselves – that’s the basis for being able to lead others successfully.

We need to grow our skills as leaders in

all dimensions to respond to future challenges. And we are responsible for empowering our team to be successful.

Reinhard Ploss

Chief Executive Officer
Labor Director

Ready for (virtual) onboarding!

The biggest merger in Infineon's history brought 6,000 new employees to the Infineon family – along with the challenge of onboarding all these new colleagues. This was accentuated by the fact that we were not able to meet in person, host onboarding events or organize townhall meetings to introduce our new colleagues to Infineon's key frameworks, the company's mission and vision, culture building elements, and their daily tasks and to-dos in their new organizational home.

Within 3 months, we created a fully virtual and interactive Global Onboarding platform that is now available to all new employees, people managers, and interns/working students joining Infineon. The Onboarding Journey is not structured by topics but by time. In other words, we present information relevant to the respective week. So, in the very first week, we share tips on how to get set up in our IT environment, attend all mandatory trainings and get to know Infineon's history.

Or in the third week, we introduce all new colleagues to our Performance management and relevant developmental or leadership trainings to attend. The entire journey is accompanied by personal quotes plus tips and tricks from Infineon employees giving insights into our culture. We've received great feedback on the Global Onboarding Journey, with new arrivals rating it as a highly interesting, interactive, and engaging platform.



Careers Project – for an inspiring and attractive career environment

In early 2021, we kicked off our highly ambitious corporate Careers Project. Considering the company's growth, increasing market dynamics, and mega trends such as digitalization, we believe that Infineon's career landscape should provide an even greater contribution to strategy deployment in the future. Our future career environment strives to be:

- 1) Scalable and business-driven to meet the demands of a technology leader in very dynamic markets
- 2) Integrated and user-friendly to adapt quickly and ensure positive employee experiences
- 3) Clear and attractive to win as an employer of choice.

Our project mission: We have the future in mind

We create an inspiring career environment that facilitates individual development and contributes to business success. We will achieve this with a clear commitment: We focus on our HR customers, namely our employees and managers, and we add value for Infineon.

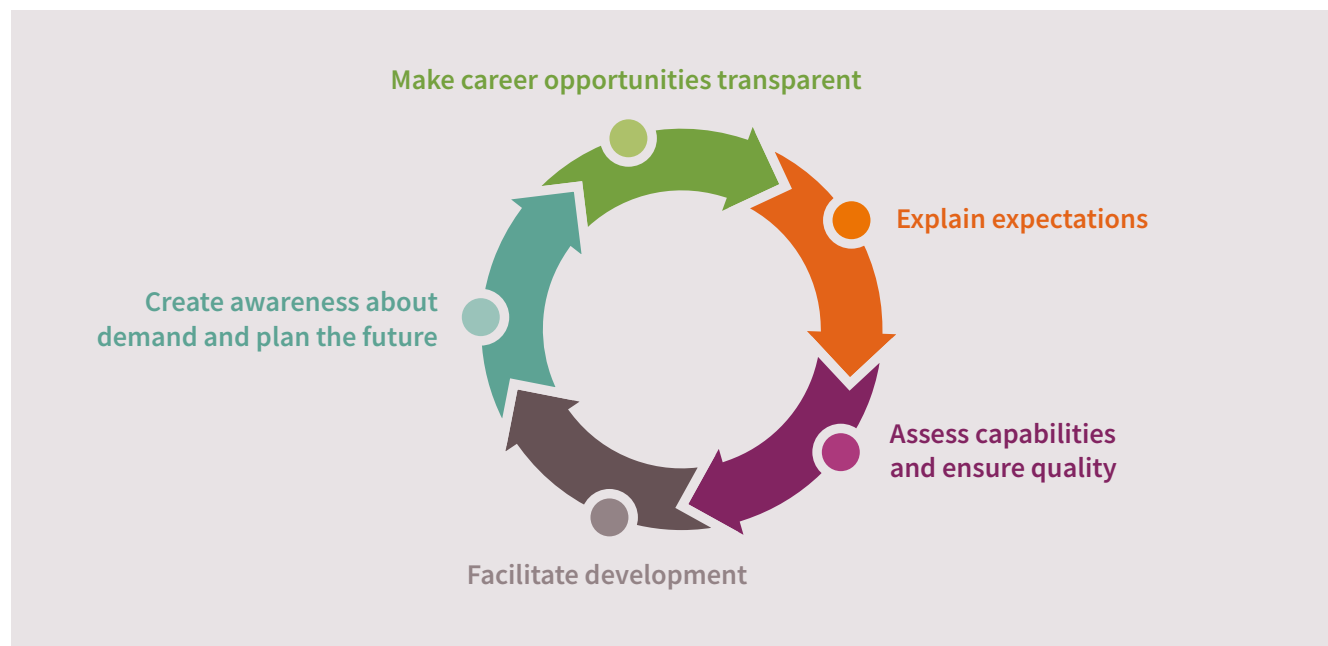
We deliver simple, integrated, and user-friendly solutions. We think and act courageously and with the future in mind.

Our answer:

A holistic, iterative approach with targeted solutions

We aim to reach our project goal based on five solutions through an iterative approach. After designing a solution, dedicated groups of employees and managers are invited to test and provide their feedback.

During the following global roll-out phases of the solution, all affected Infineon colleagues will learn about the new solutions step by step.



Careers Project Approach

ARISE – Connecting people and technology

1 December 2020 marked the launch of ARISE, Infineon Singapore's Artificial Intelligence (AI) initiative. This initiative aims to embed AI readiness across all business units and make Infineon Singapore a center for AI innovation within the Infineon world by 2023.

ARISE is a key building block in transforming Infineon Singapore into a global innovation center for artificial intelligence, driven by the conviction that AI will help shape a better tomorrow.



Infineon APAC's 50th anniversary, Infineon announced its intent to transform into a hub for AI Innovation

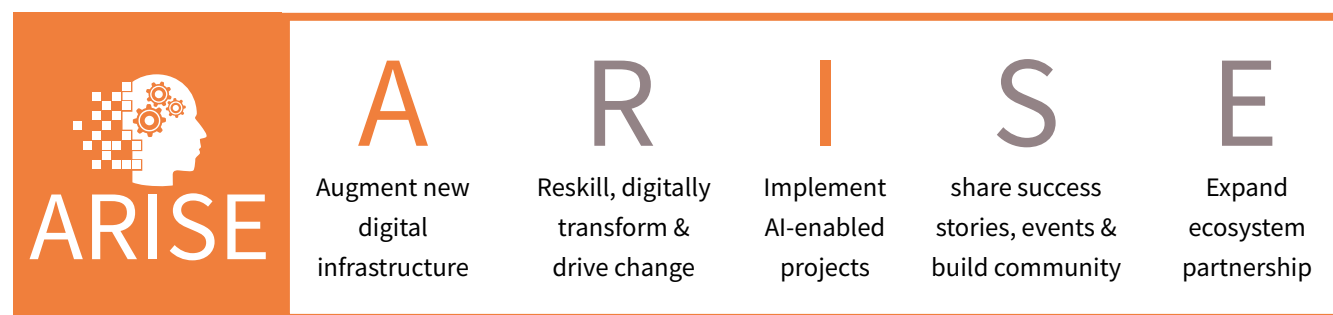
Engaging employees in the transformation

This will empower Infineon Singapore's workforce to develop AI solutions across all business functions. More than 1,000 employees will be trained in different levels of AI competencies and around 25 unique AI projects will be implemented by 2023. The initiative will also look at attracting as well as developing employees with niche skills in AI roles.

Important role of human resources

HR plays a pivotal role in the "R" track of ARISE aimed at Reskilling and digitally transforming the workforce based on three focus areas: Instilling a growth mindset, building capabilities, and driving augmented performance. Virtual learning events have been held and a pilot version of digital nudge mobile application has also been introduced to enable employees to make better choices in contributing to greater AI readiness.

Infineon Singapore will also proactively engage with and leverage the vibrant semiconductor, electronics, education, and innovation ecosystems in Singapore by collaborating with various companies, startups, and institutions.



Next step toward digital transformation

Digitalization is relevant for every aspect of our business. Therefore, striving for innovation and knowledge are highly important to us and an integral part of what we do. At the same time, demand for skilled employees is rising, driven by the need to keep pace with technological advances. We have developed various training concepts aimed at building digital skills and knowledge to enable our employees to work effectively in this new, digital environment. Examples include the “Basic Digital Skills” and the “HR Digital Skills” learning programs. These programs raised awareness of digital skills among office-based employees and increased the uptake of development opportunities.

Looking beyond the office, digitalization and process automation also have a tremendous impact on the skill-sets required of our shop-floor employees. It is important for us as a company to invest in further education across the entire organization and to support the whole workforce in building digital skills. In summer 2020, we thus launched the “Digital Skills at Productions Sites” learning program to address the growing need for digital and soft skills at the shop floor.

Launching LinkedIn Learning for shop-floor employees

Two years ago, Infineon introduced its online learning platform LinkedIn Learning. Since then, all Infineon office-based employees have been able to easily integrate skill-building into their daily work with LinkedIn Learning. Building on this success with office staff, we set ourselves the additional goal of bringing digital skill-building opportunities to the entire workforce. Therefore, LinkedIn Learning was gradually introduced across different production sites throughout the past fiscal year.

We started the rollout of LinkedIn Learning for shop-floor employees with two pilot projects in Asia and Europe. During the pilots, we worked closely with the production managers at the pilot sites to develop a learning curriculum, made a digital learning infrastructure available, and discussed how to integrate LinkedIn Learning into daily work routines with the shift supervisors.



LinkedIn Learning spaces for shop floor employees

Go-live at eleven production sites since 2020

Since the start of the pilot for “Digital Skills at Productions Sites”, LinkedIn Learning has been launched at 11 production sites. To be able to introduce this digital offering on the shop floor, we needed to set up a dedicated learning infrastructure as a key priority. Infineon has invested in the necessary technical equipment (e.g. laptops) and made a learning infrastructure available in the form of learning stations or training rooms.

To provide guidance on the learning content, we have curated different learning paths within LinkedIn Learning. These learning paths are tailored to the needs of three different target groups within production (operators, maintenance, and team leaders). All paths cover soft skill courses as well as Industry 4.0 content to equip our workforce with the skillsets they will need in future.



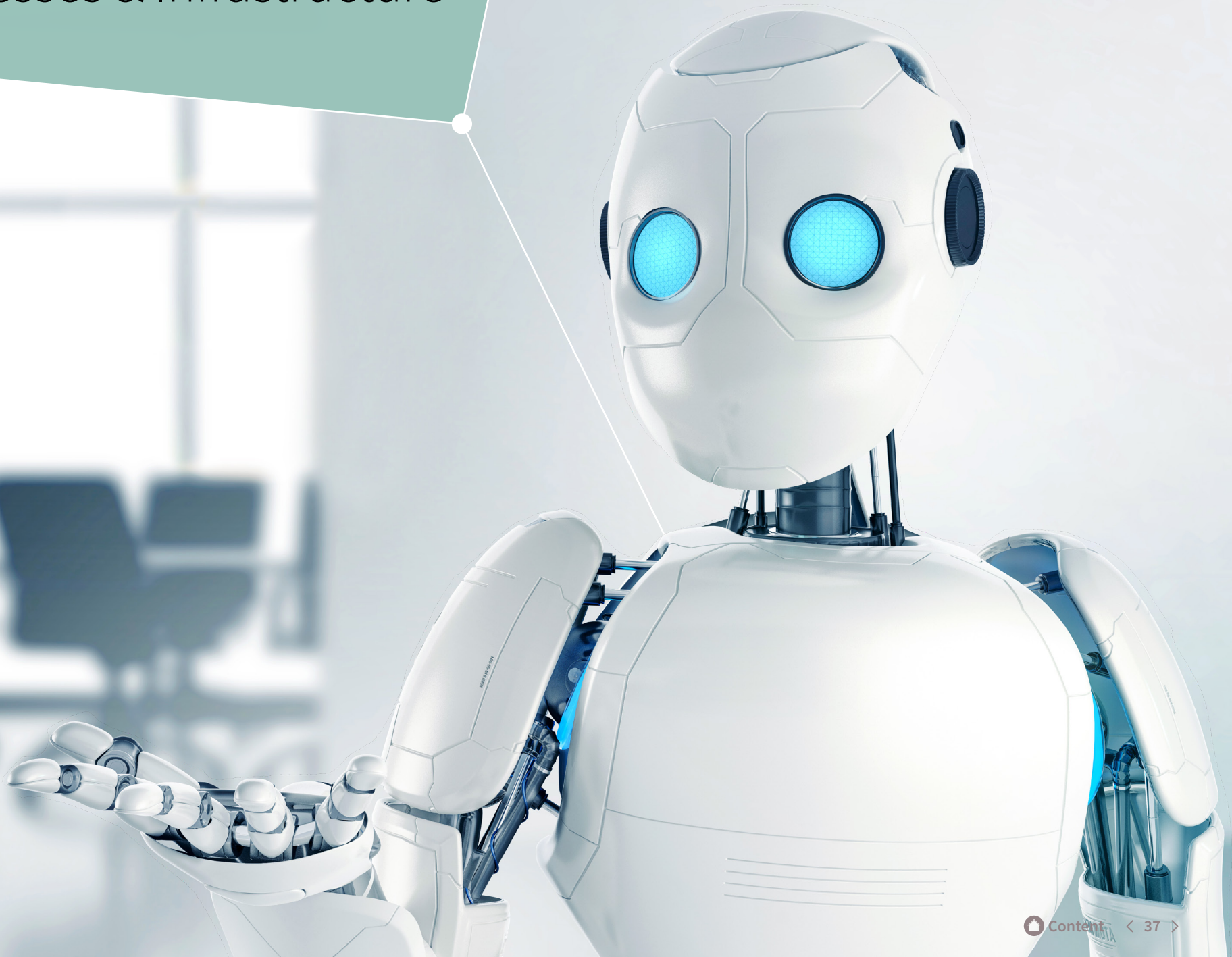
Differentiating ourselves from the competition through manufacturing requires nothing less than perfection.

A successful transition to Industry 4.0 starts by enabling all relevant employees

to develop new skills. Such a change process can only be effective with committed and passionate people. Here – as always: People make the difference.

Jochen Hanebeck
Chief Operations Officer

HR Processes & Infrastructure



HR Processes & Infrastructure

Automation of HR Processes – Key for quality, efficiency and customer experiences

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 customer-oriented HR services in a high-quality, transparent, and efficient manner.

We are supported by automation initiatives like our first digital HR colleague “Paul”, whose jobs include the handling of confidential communications to employees and managers.

In the current fiscal year, we have further expanded automation and digital execution of standard processes.

We were able to further digitalize our HR work with several global initiatives. These included paper-to-digital process conversions, the full automation of mass mailings, and the automation of HR data quality controls. This allowed us to gain efficiency and further enhance the customer experience.

Another big step towards HR digitalization is the HR service bot “Henry”, an innovative contact channel allowing customers to reach HR Service Centers 24/7. After the go-live, we equipped our HR service bot with information and insights around topics like recruiting services. Further enrichments are planned over the coming months.

All our digitalization activities @ HR support us in handling repetitive and high-volume processes. They also further improve the quality of our HR data. We will continue to focus on digitalization and automation as part of our mission to continually increase efficiency and to enhance the customer experience.

Conclusion



Conclusion

Dear Reader,

We hope that our HR Report has given you a good insight into the most important developments and milestones in our HR area in the past 2021 fiscal year.

Keeping the daily business up and running while supporting the business and further developing as a function to prepare for the future is our top priority.

In addition, we will continue to carefully monitor the development of the COVID-19 pandemic that is still influencing our daily lives and workplaces. The balancing act between ensuring the well-being of our employees and ensuring our economic growth will continue to define us. People are our most valuable asset we have – that is why we will clearly focus on our employees as a central success factor also in the next year. The HR strategic priorities continue to guide us while keeping the required flexibility for unforeseen business needs and topics.

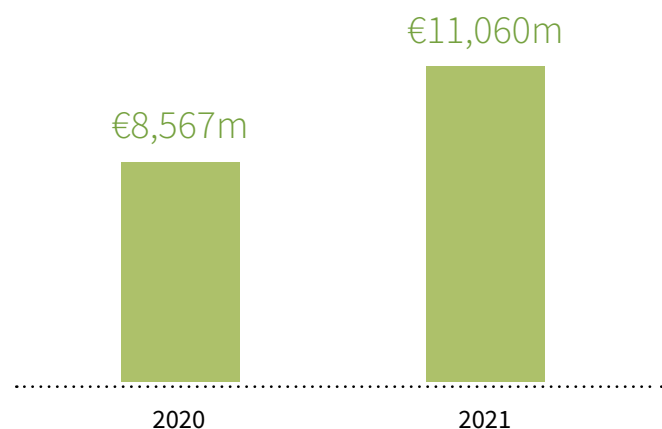
As you can see in this year's HR Report, our understanding in the HR department remains "People create value. HR fosters people engagement". We want to create the best possible working environment in which our employees can concentrate on this value contribution: Dedicated, healthy and successful employees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

Facts & Figures

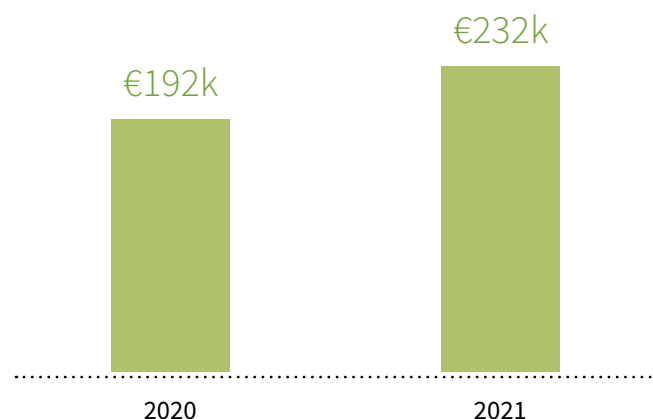


General

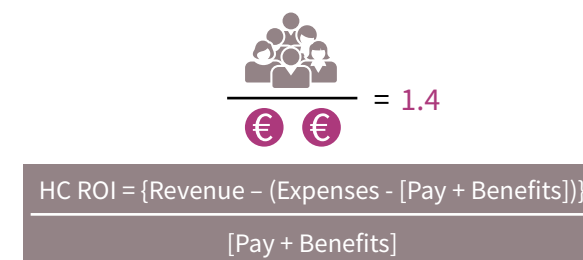
Revenue



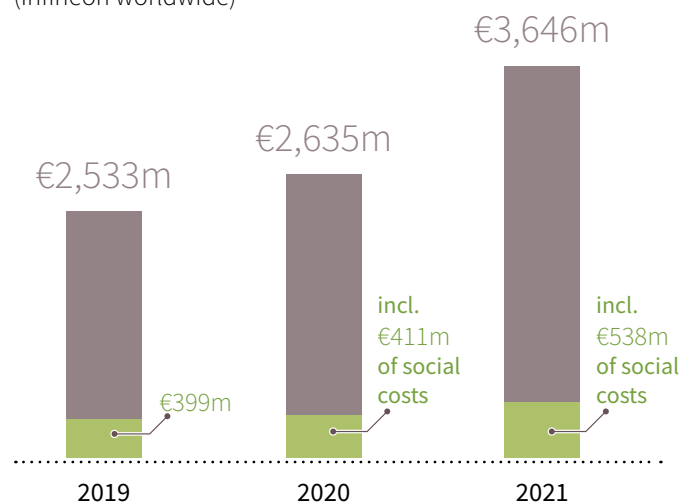
Revenue per employee



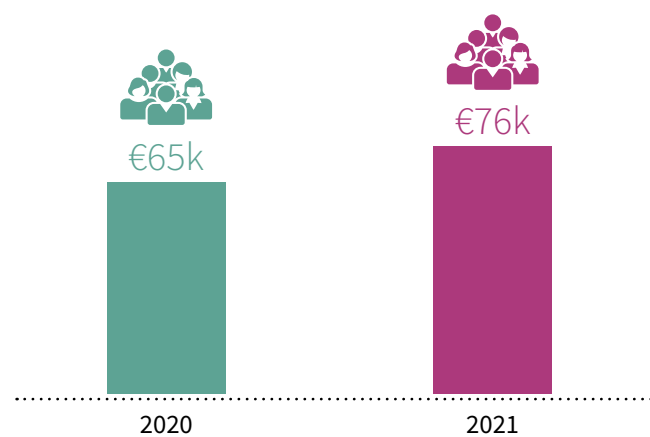
Human Capital ROI



Personnel expenses in € million
(Infineon worldwide)



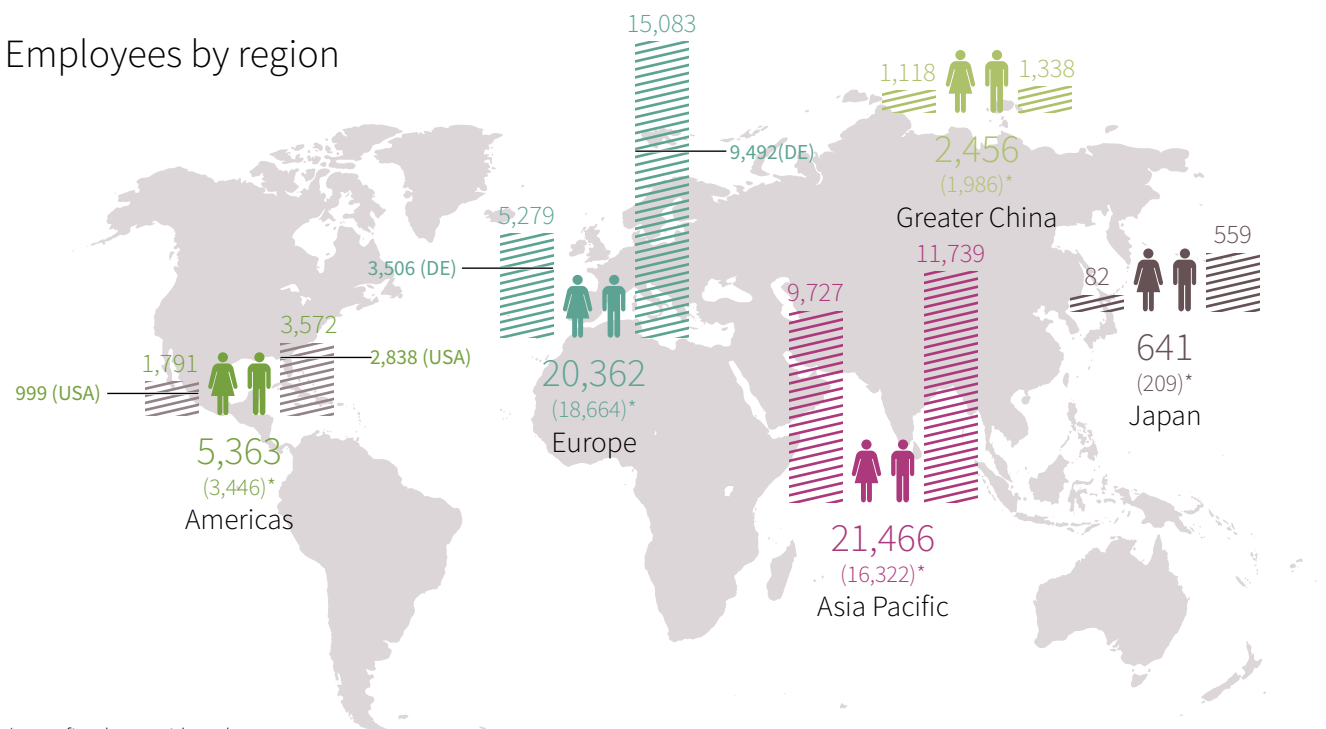
Personnel expenses per FTE in EUR k
(Infineon worldwide)



Workforce

per 30 september 2021

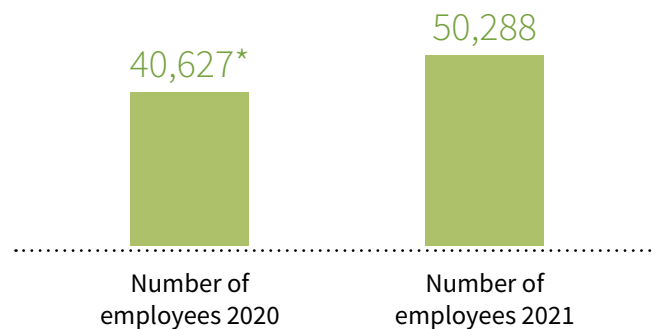
Employees by region



* 2020 fiscal year without legacy cypress

Number of employees

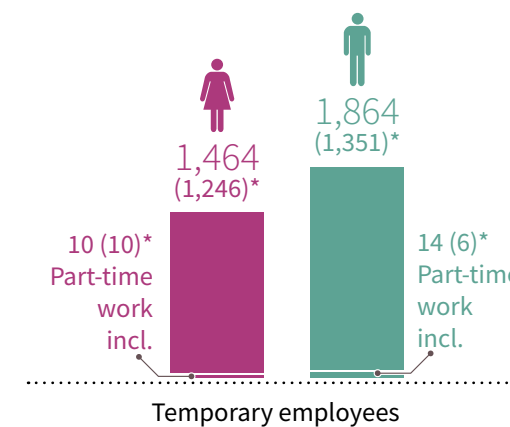
(Infineon worldwide)



* 2020 fiscal year without legacy cypress

Workforce permanent and temporary

(Infineon worldwide 2021)



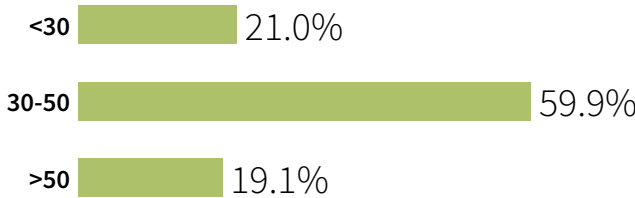
* 2020 fiscal year

Workforce

per 30 september 2021

Age profile

(Infineon worldwide 2021)



Age in years / proportion of employees

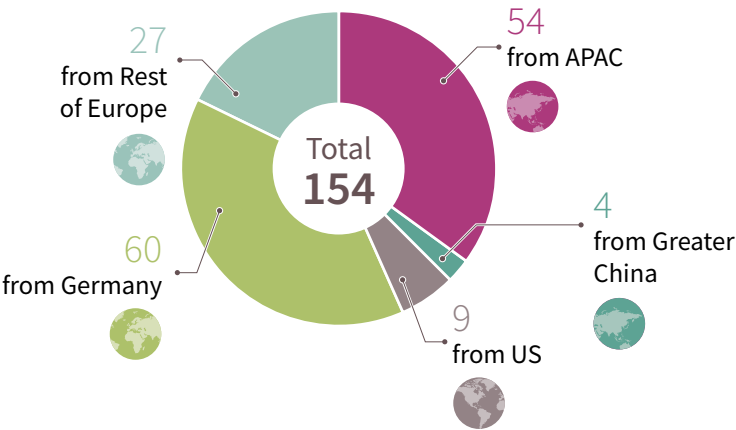
External workers

(Infineon worldwide 2021)



Assignments*

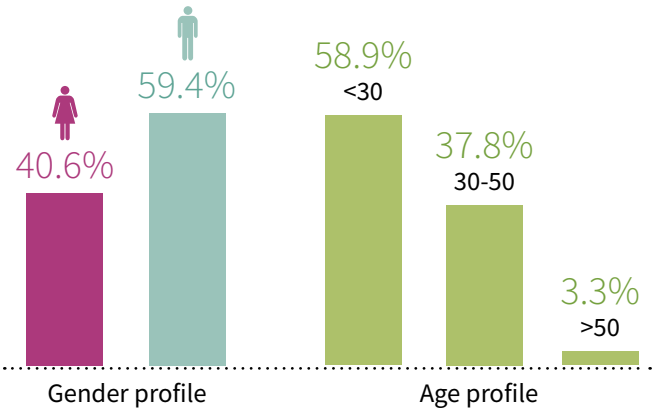
(Infineon worldwide 2021)



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

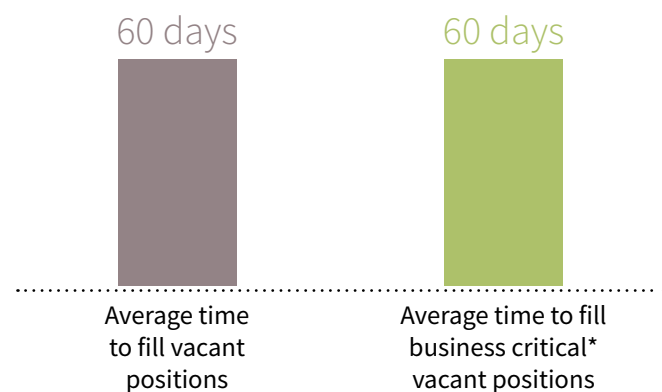
New appointments

(Infineon worldwide 2021)

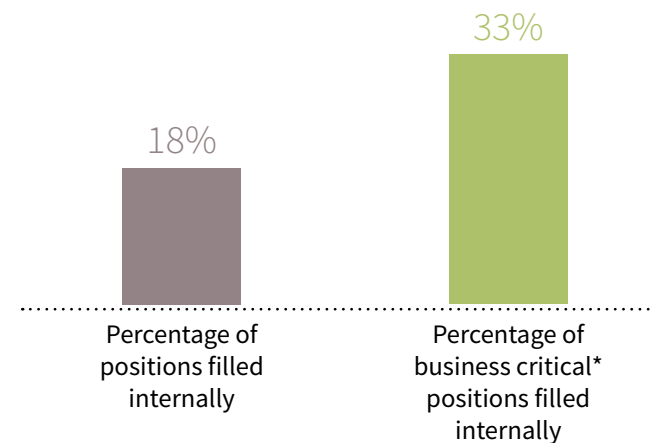


Workforce

Time to fill vacant positions (average length of time)



Percentage of positions filled internally



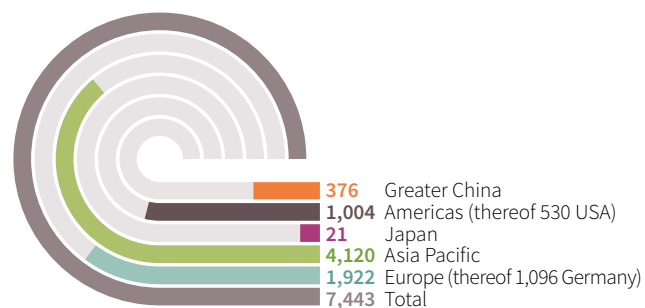
Time to fill: This indicator measures the average number of days from the publication of a job until the contract is signed for all jobs.

* Critical positions are defined as positions or job roles that have a direct and significant impact on the business and are hard to find in the market. These figures relate mainly to Europe, as the process for filling business-critical positions has not yet been fully harmonized. The process is currently being adjusted and will in future, reflect the global totality.

Workforce

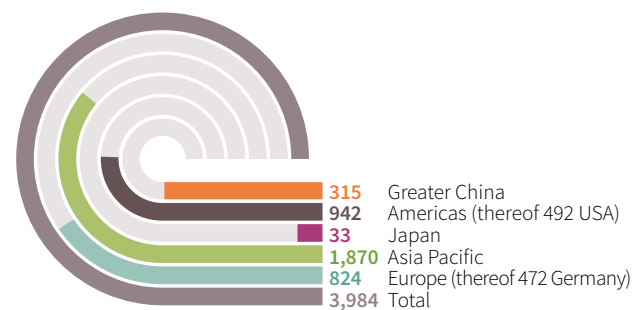
New appointments by regions

(Infineon worldwide 2021)



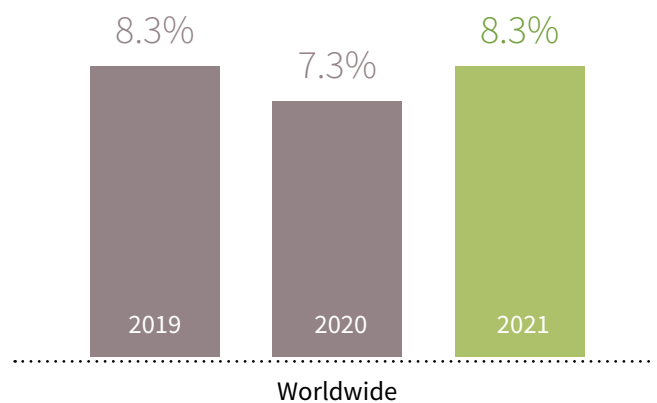
Staff departures by regions

(Infineon worldwide 2021)

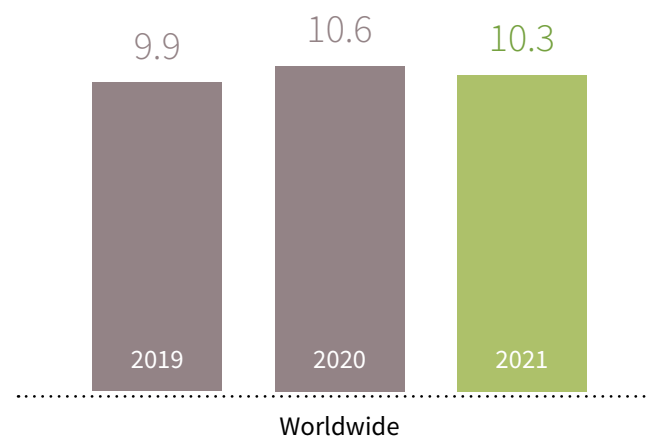


Employee turnover rate

(incl. voluntary resignations
and other reasons for leaving)



Length of service in years



Diversity & Inclusion

Disability



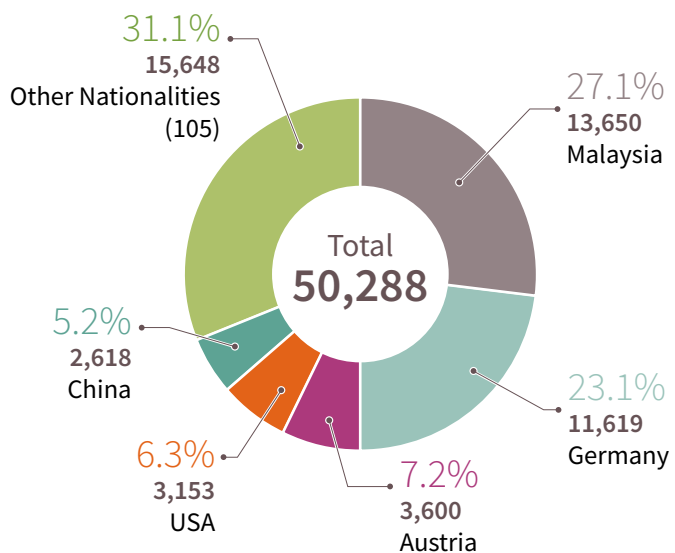
3.3%

Percentage of
disabled workforce

In Germany, Infineon employed 3.3 percent of persons with severe disabilities (per 30 September 2021). Information on the employment of persons with disabilities at Infineon sites in other countries is only recorded on the basis of voluntary declarations by employees in different ways. Therefore, the percentage of employed persons with disabilities is only reported for Germany.

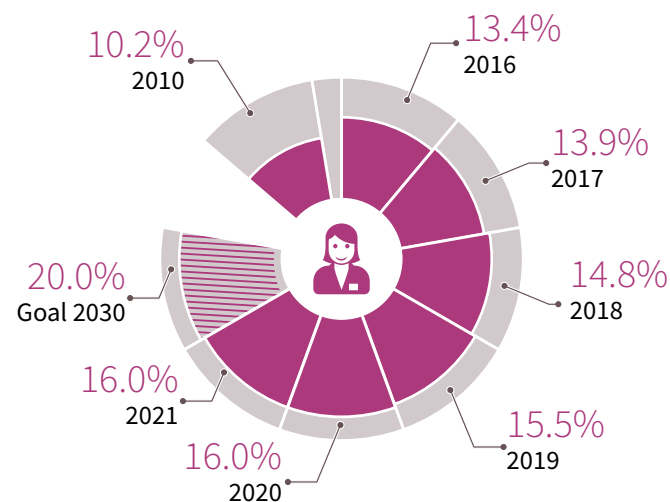
Nationalities

(Infineon worldwide 2021)



Women at management level

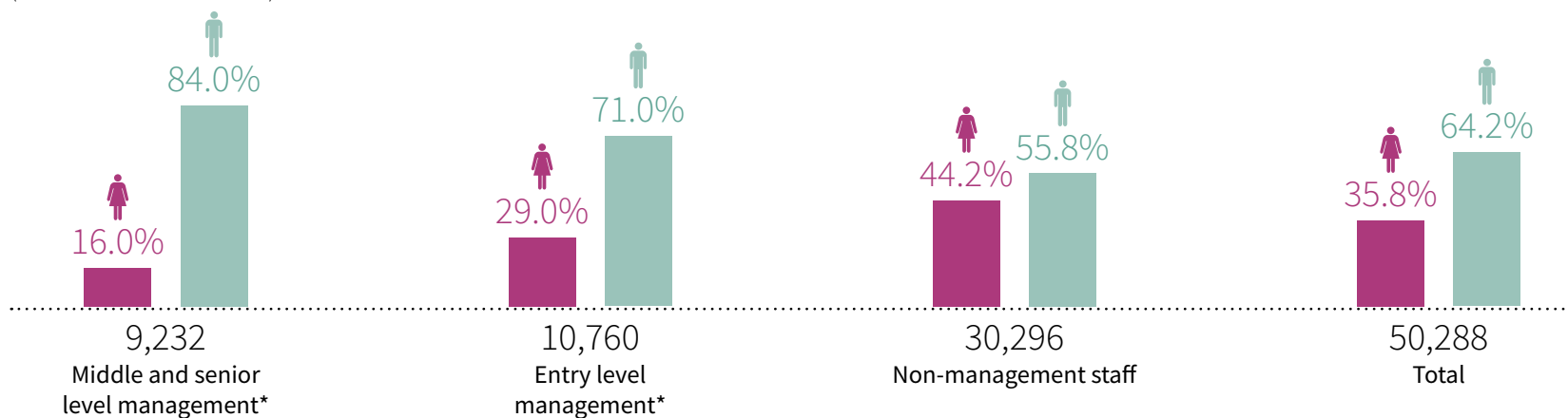
(Infineon worldwide 2021)



Diversity & Inclusion

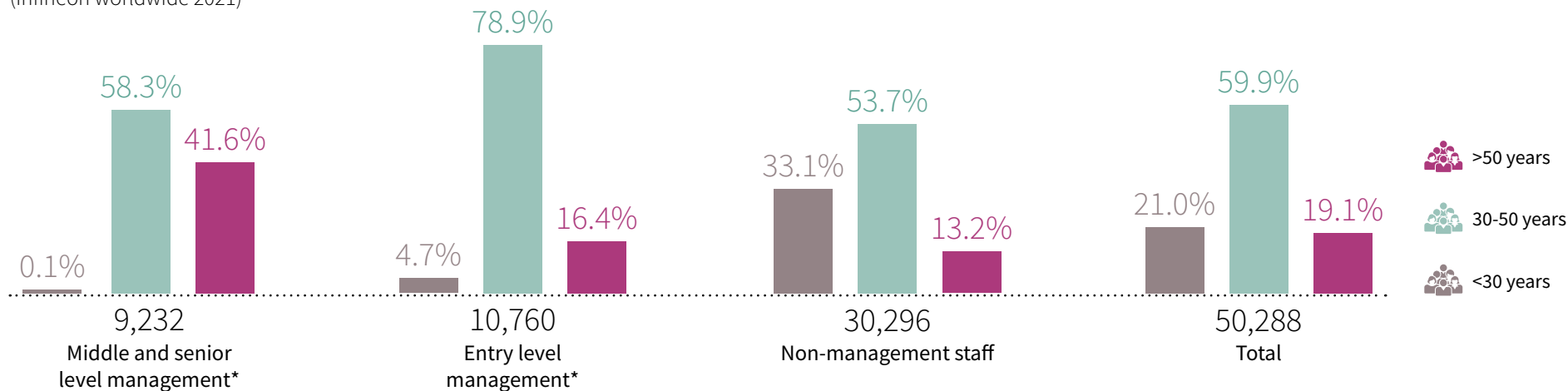
Female/male employees per level

(Infineon worldwide 2021)



Age profile per level

(Infineon worldwide 2021)

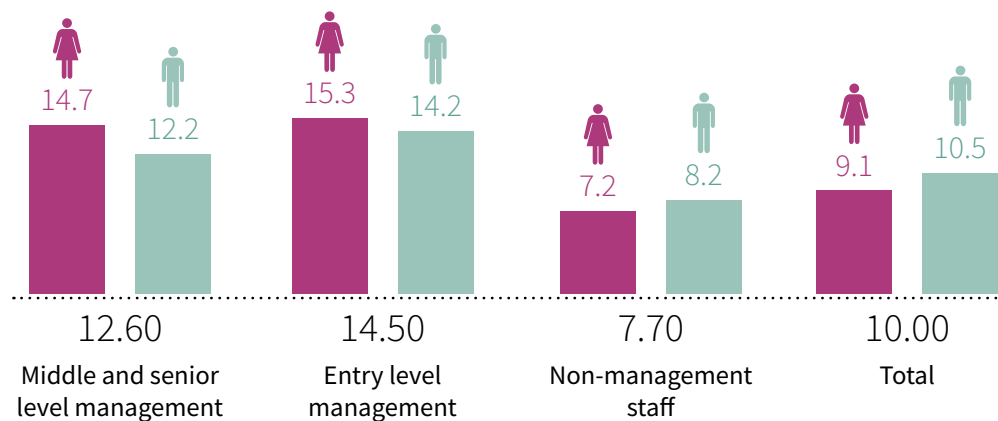


* Infineon defines a management function as both employee management and management on the basis of technical expertise according to the internal job assessment system.

Training

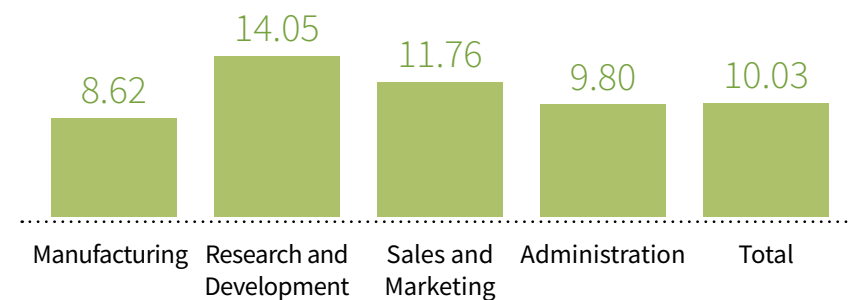
Training hours per employee

(Infineon worldwide 2021*)



Training hours per employee

(Infineon worldwide 2021*)

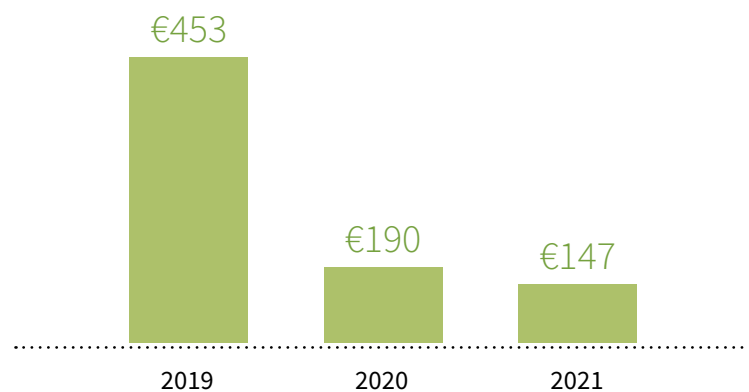


Percentage of trainings completed on compliance and ethics

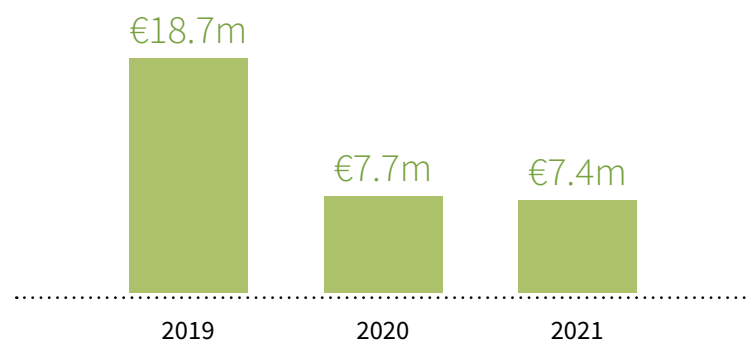


Training

Training and development expenses per employee



Further training expenses

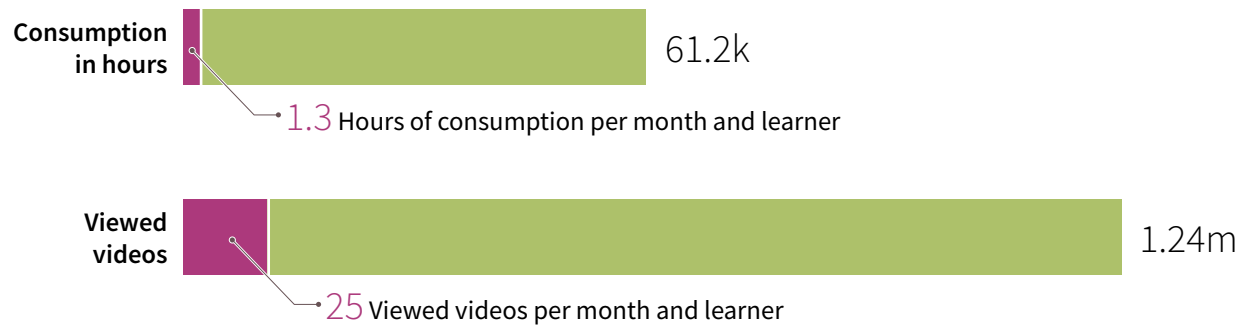


As a result of the coronavirus pandemic and in order to continue safeguarding its employees, Infineon decided that all classroom-based training until the end of the 2021 calendar year would be cancelled or postponed. Infineon offers even more virtual alternatives, such as virtual training and tutorials from the Infineon academies. The reduction of training expenses is resulting from the strategic turnaround which means more content through internal experts instead of external service providers. In addition, trainings for a fee have been replaced by the increased usage of the free LinkedIn Learning platform (such as in IT area).

Training & Apprenticeships

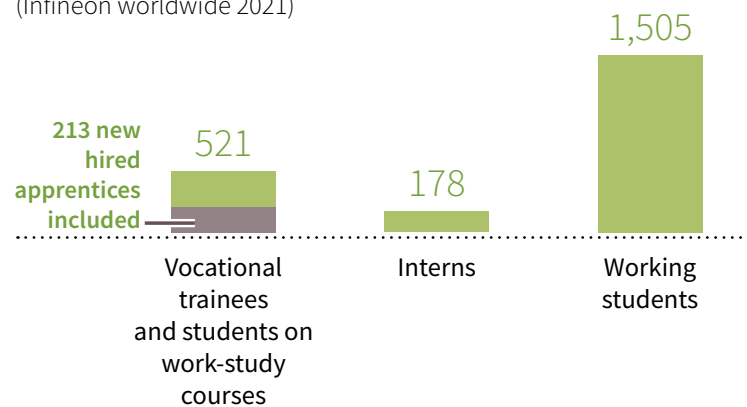
LinkedIn Learning consumption

(Infineon worldwide 2021)

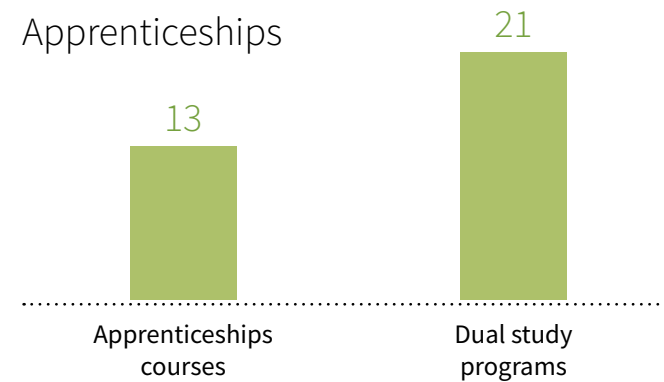


Employees in training

(Infineon worldwide 2021)



Apprenticeships



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