



Systems to shape the future

Infineon Technologies Austria

Fiscal year 2016



We make life easier, safer and greener –
with technology that achieves more,
consumes less, and is accessible to everyone.
Microelectronics from Infineon is the key
to a better future.



Part of your life.
Part of tomorrow.

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From an extended workbench to a pioneer of Industry 4.0

- 2016 Expansion of global business responsibility after integration of International Rectifier
- 2015 Building complex for research, development and production with Industry 4.0 pilot area erected in Villach
- 2013 Start of chip production on 12-inch (300-mm) thin wafers
- 2012 Expansion of production and new R&D building in Villach
- 2006 Launch of competence center for automotive and industrial electronics (KAI)
Opening of development center in Bucharest, Romania
Opening of front-end factory in Kulim, Malaysia
- 2004 Establishment of IT services in Klagenfurt
- 2003 Partial transfer of headquarters for industrial electronics to Villach
- 2000 Infineon Group goes public
Start of chip production on 8-inch (200-mm) wafers
- 1999 Siemens semiconductor division becomes Infineon Technologies
Joint venture between DICE Development Center and Johannes Kepler University in Linz
- 1998 Construction of development center in Graz
- 1997 Villach becomes global competence center for power electronics
Start of chip production on 6-inch (150-mm) wafers
- 1987 Expansion of development center in Villach
- 1984 Start of chip production on 5-inch (120-mm) wafers
- 1979 Construction of development center for microelectronics in Villach
Start of chip production on 4-inch (100-mm) wafers
- 1972 Construction of production plants on the current Villach site
- 1970 Siemens diode production is launched in Villach



Infineon Technologies Austria AG

Welcome to the big world of very small things

Infineon Technologies Austria AG is a subsidiary of Infineon Technologies AG, a world leader in semiconductor solutions that make life easier, safer and greener. The Austrian head office is in Villach, with further branches in Klagenfurt, Graz, Linz and Vienna.

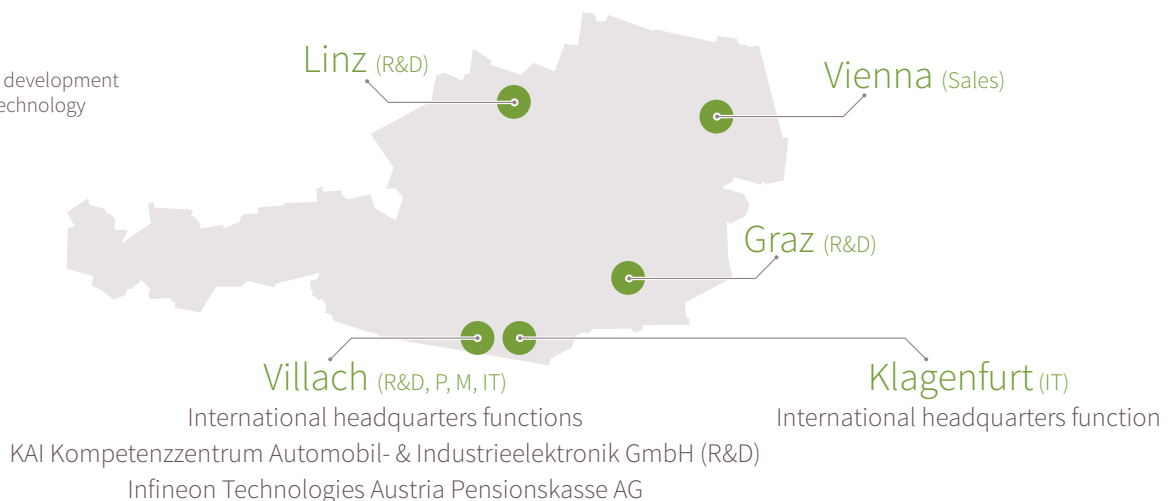
Besides Germany, Infineon Austria is the only subsidiary within the Group that pools competencies for research and development, production and global business responsibility. Our employees from around 60 countries have established Infineon as a leading company in Austria. Since 2013, Infineon is the most research-focused industrial company in Austria.

Part of your life. Part of tomorrow.

Barely visible, semiconductors have become an indispensable part of our daily lives. Chips from Infineon play an essential role wherever energy is generated, transmitted and used efficiently. They safeguard data communication, reduce harmful emissions produced by cars and are paving the way for driverless vehicles.

Whether they are in your car, your smartphone, your fridge, your debit card and passport, or in industrial equipment – you can find expertise from Infineon Austria in many everyday applications.

R&D Research and development
IT Information technology
M Marketing
P Production



Combined
on one site



Production

International
business responsibility

Research and development

Infineon Technologies
Romania SCS (R&D)

Infineon Technologies (Kulim)
Sdn Bhd, Malaysia (P)

Infineon at a glance

Facts and figures 2016



Infineon Technologies AG

Sales €6,473 million

Employees throughout the Group 36,299

Infineon Technologies Austria

Sales €1,839.5 million +29%

Profit on ordinary activities €158.5 million +4%

Total investments €357 million

of which investments in property, plant and equipment €133.9 million +20%

of which investments in intangible assets €223.1 million

Total employees 3,625 +4%

Proportion of women overall 16.2% +1.25%

Employees in R&D 1,426 +12%

Employees in product and process development and quality assurance approx. 450

Additional permanent external employees via third companies approx. 1,800

Degree candidates and doctoral students** 93

Apprentices 49

Interns and vacation/industrial placements** 976



Research and development

R&D Expenditure €411.8 million

R&D Expenditure as a percentage of sales 22%

Initial patent applications 287



Production

Products (basic types) 1,800

Production volume 16.3 billion chips

Audits and customer visits 27



**Aggregated values.
Fiscal year 2016, as per 30 September 2016,
including domestic shareholdings

Growth on all levels

The fiscal year 2016

The fiscal year 2016 (accounting reference date 30 September) was one of the most successful to date for the Infineon Technologies Austria Group. **Sales** reached a new all-time peak at €1,839.5 million, exceeding the previous year's sales by €412.4 million or 29 percent. The strong growth resulted from the positive market development in the global product business of energy-saving chips. This business responsibility of Infineon Austria was extended further due to the takeover by the Infineon Group of the US semiconductor manufacturer International Rectifier, as a result of which the Group transferred entrepreneurial responsibility for the product lines of its former competitor to its Austrian subsidiary with effect from August 2016. This expansion additionally supported the strong growth in sales. Infineon Austria is thus now responsible for the global market activities of eleven product lines in total.

The **profit on ordinary activities** was €158.5 million, an increase of €6.4 million or around four percent compared to the previous year. **Investments** of €357 million in total were made, of which €223.1 million served to finance intangible assets due to the extended business responsibility. A further €133.9 million was invested, an increase of 20 percent on the previous year on a comparable basis.

Expenditure of €411.8 million was made on research and development (R&D). This new record value corresponds to a research quota of around 22 percent of total sales. As per the accounting reference date, Infineon Austria

employed 3,625 people – four percent more than the previous year and a new all-time high.

Highlights

The **European research project Semi40** focusing on the further development of autonomous factories was launched in May 2016, and is headed by Infineon Austria. 37 partners from five countries and the volume of €62 million make it one of the largest Industry 4.0 projects in Europe.

A study undertaken in May 2016 by the Industriewissenschaftliches Institut IWI attests to Infineon Austria's above-average positive impact on **value creation** in Austria. Across the entire economy, the company enabled value creation of €1.45 billion and around 12,500 jobs in the domestic labor market.

During its R&D activities Infineon Austria maintains **intensive cooperation** with Austrian universities and research institutions. The cooperation with Graz University of Technology that goes back many years has been expanded; this affects various key areas of research and education, especially in the areas of energy-efficient electronic systems, chip design, sensor technology and security. For the first time a joint summer school in Villach was organized with the TU Wien, and attended by 35 students and 16 professors. A joint research laboratory was set up with the Management Center Innsbruck.

The Board of Infineon Technologies Austria AG:

- › CEO and Technology Director:
Dipl.-Ing. Dr. Sabine Herlitschka, MBA
Area of responsibility: Research and Development, Human Resources, Communication
- › CFO: Dipl.-Ing. (FH) Oliver Heinrich (left)
Area of responsibility: Finance, business responsibility for product lines, IT, Purchasing, Business Continuity and Compliance
- › Operations Director: Dr. Thomas Reisinger (right)
Area of responsibility: Production, Technology, Quality Management, Infrastructure and Logistics





Strategy 2020 – SMART Growth

The guideline for sustainable growth

Being internationally competitive from our location in Austria and contributing to Group success in the best possible manner – these are the sustainable objectives of Infineon Austria. The Strategy 2020 “SMART Growth” is the guideline for its actions. The seven coordinated target areas are based on the strengths of Infineon in Austria:

› **Market Leadership with Product 2 System**

The company’s excellent understanding of applications supports the development of system solutions to provide the optimal benefits for customers and a strong position on the market.

› **Analog, Mixed Signal, Power & System Competencies**

The Austrian development areas strengthen the entire Group with their specific competences.

› **Innovation Leadership**

A strong innovation culture facilitates the development of leading solutions for the global market.

› **World-Class Manufacturing Competencies**

Exceptional manufacturing skills differentiate and create a clear competitive edge.

› **Best R&D Ecosystem**

Best research and development service through the active shaping of the framework conditions and networks.

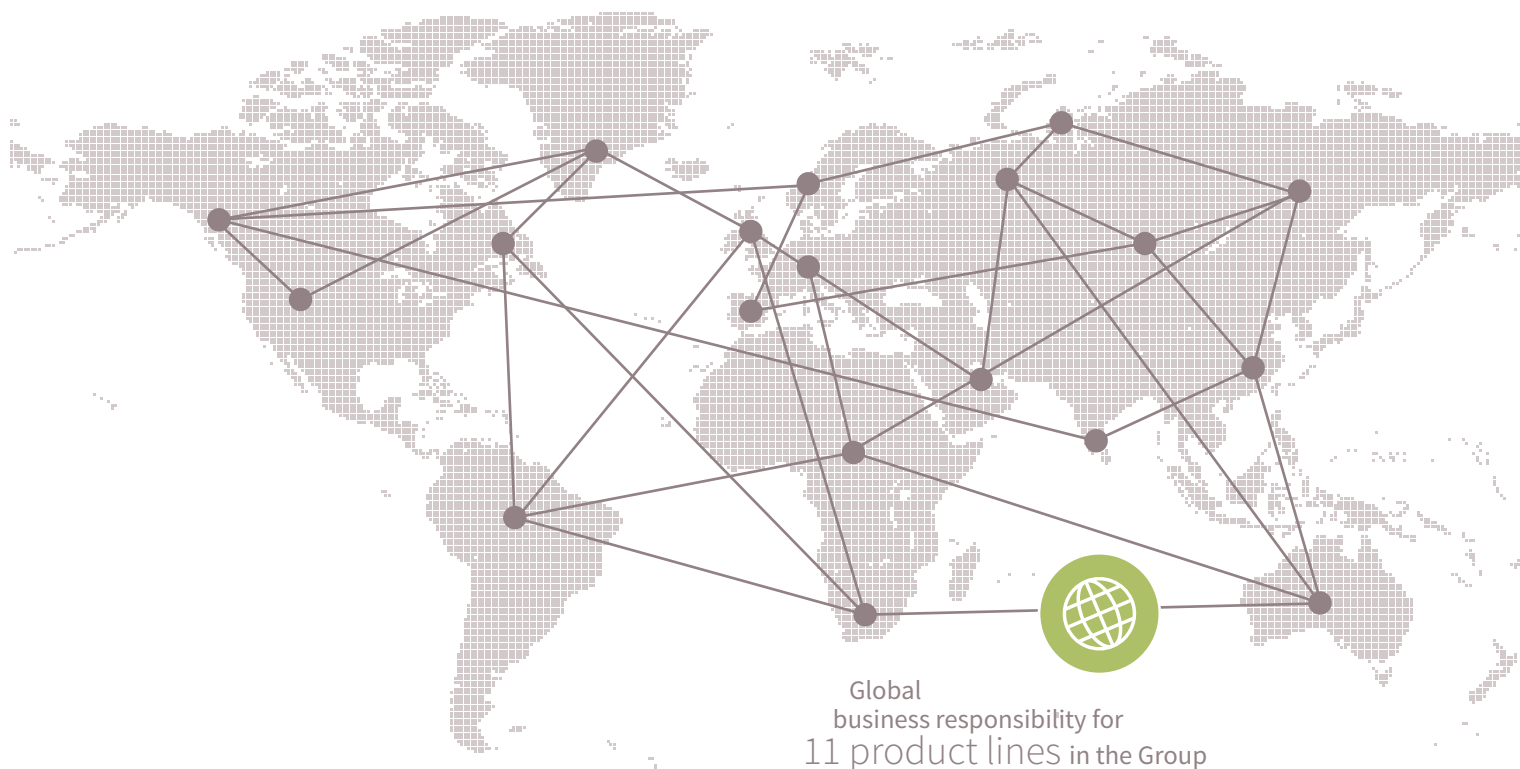
› **Operational Excellence**

Quality, reliability and effectiveness in all processes promote continuous improvement.

› **People Excellence**

Outstanding talents, diverse teams and an ideal environment facilitate top performances.

The goals: to achieve global competitiveness and make the best possible contribution to the Group’s success



Global business activity

Local expertise, global responsibility

Infineon Austria represents an effective combination of innovative research and high-quality production. The Group utilizes this expertise, and has assigned global business responsibility for eleven product lines from three divisions to its subsidiary in Austria.

Energy efficiency as a driving force

Energy costs are rising, resources are becoming scarce. Accordingly, the subject of energy efficiency occupies an important position for Infineon. The goal is to provide chips

and system solutions that reduce consumption throughout the entire energy cycle. From its location in Austria the Infineon Power Management & Multimarket Division handles the responsibility for the Medium Voltage Classes, Computing, Power Management Devices, Digital Power, Power Management IC, High Voltage Power Conversion and Low Power ACDC ICs product lines. Typical applications for these products are mains adapters and chargers for notebooks, smartphones and tablets. For example, 45 percent of the servers around the world use Infineon power semiconductors for power conversion. These energy-saving chips are also used in LED lighting.

Energy efficiency meets mobility

Power components in the High Voltage Discretes & Solutions and Integrated Power & Discretes product lines of the Infineon Industrial Power Control Division are an important part of the electronic controls of drive mechanisms. These include for example inverters in refrigerators, pumps, fans and compressors, and motor controls in trains and underground trains.

The product lines Electric Drive Train and High Voltage Driver from the Infineon Automotive Division run the global business in electromobility subsectors and control electronics components for electric vehicle drive mechanisms from Austria.

Recognized global player

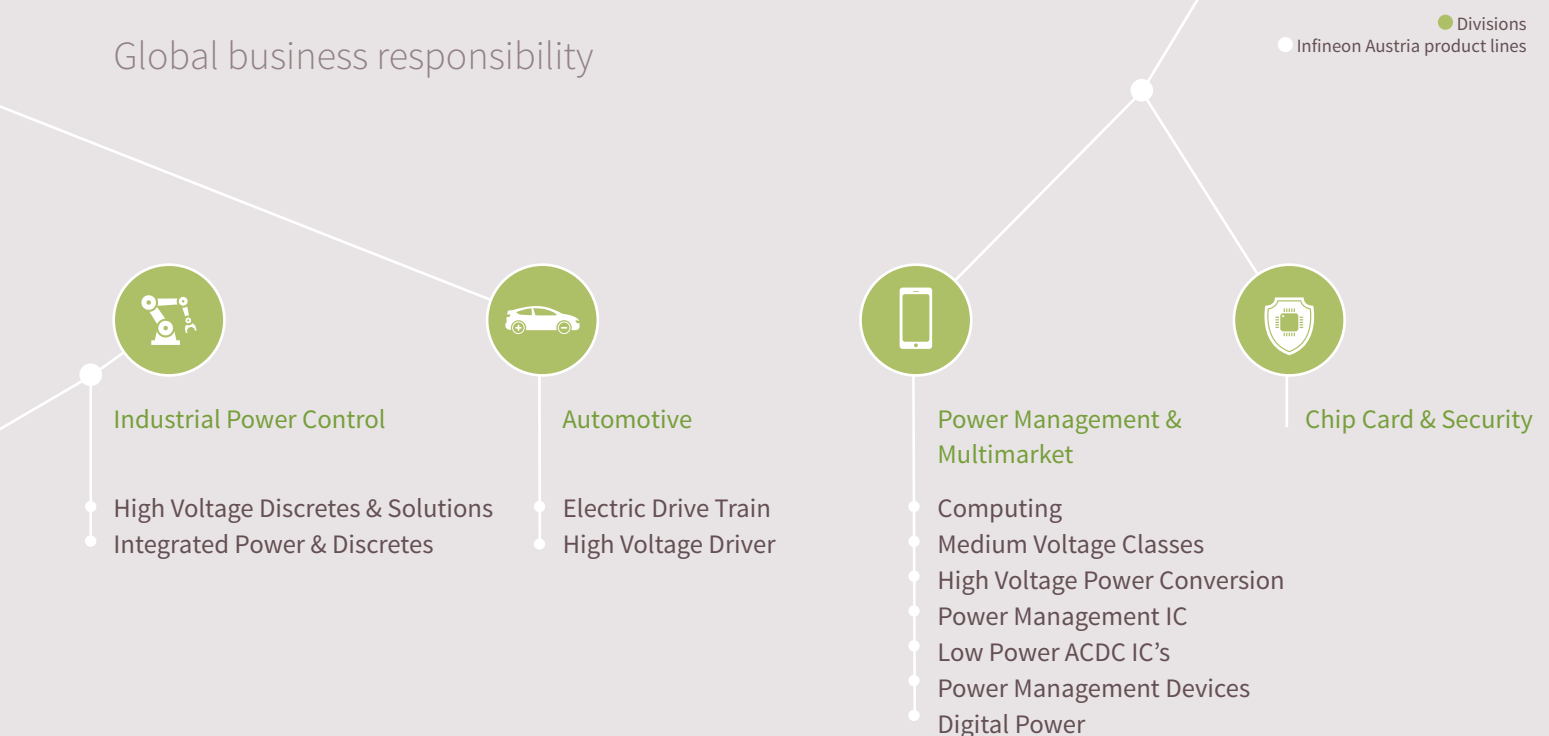
Infineon's success in the global markets also confirms the success of Austrian business activities. The Group has substantially expanded its world market leadership in power semiconductors. Within the scope of the Export Award 2015 from the Austrian Economic Chamber, Foreign Trade Austria, Infineon Austria was honored for its success in the global market with the special Global Player Award.

Worldwide IT management in Klagenfurt

Infineon Technologies IT Services GmbH, headquartered in Klagenfurt's Lakeside Science & Technology Park, is another global competence center. Since 2004 it has been globally responsible for Infineon's IT infrastructure, including the design and operation of all servers, PCs and networks, and the IT Service Desk, the central point of contact for all service requests.

One of the key tasks of the Klagenfurt IT experts is running the worldwide computer center for development at Infineon. To do justice to the increased IT security requirements, further global functions such as access control, video surveillance and security operation, as well as the global operation of all Infineon internet services, have been relocated to Klagenfurt. Furthermore, essential parts of the Factory Integration and IT Enterprise Application Platforms areas are also supported in Klagenfurt, namely software solutions for microchip production and the operation of business process platforms such as SAP.

Global business responsibility



The technology of tomorrow

Market success through innovation

New ideas, new routes and new solutions are an essential basis for success for Infineon and for Austria as a technology site, now and in the future. So for a number of years Infineon has been pursuing a strategy that focuses on excellent innovation management in the company, not only for its employees but also in cooperation with partners such as universities, research institutes, start-ups and the domestic maker community.

The right culture for innovations

Innovations do not come from thin air. They require a company with a lively and competitive culture of ideas, involving all areas and levels equally throughout the year. The annual innovation projects are one element that characterizes this culture. In this internal competition for ideas, Infineon finances the nominated projects for one year.

Every year outstanding innovative achievements are awarded the Infineon Austria Innovation Award. Since this was founded there have been around 350 submissions. The results enable new inventions, and thus the development of new market potential. The awards include the Learning Award, which honors the lessons learned and measures taken as a result of mistakes that were made. A prize is also awarded for PhD theses. In the last six years alone, more than 250 inventions have been registered from the submissions received.

The Innovation Days are another example of a flagship initiative. These take place every year on different subjects, but always focusing on the interdisciplinary and interactive exchange of experiences and ideas.

Within the scope of our employee suggestion scheme, employees contribute innovative ideas for improvements. In the fiscal year 2016 the program entitled Your Idea Pays (YIP) realized 1,428 improvement suggestions, amounting to a financial value of €8.6 million.

Perceptible success

A current innovation project “made in Austria” is a reference design for a multicopter, which was developed during a teaching event held with the Management Center Innsbruck. The multicopter contains more than 50 Infineon components, a large number of them developed in Austria. The system solution has met with interest from customers and experts in Asia and America. The multicopter was further optimized by the maker community in the “Industry meets Makers” competition run by DigitalCity.Wien.

Another success story is Power300, the development and production of energy-saving chips in 300-millimetre thin wafer technology. In 2013 Power300 was awarded the Austrian State Prize for Innovation.

Power300

Development and production of energy-saving chips in 300-millimetre thin wafer technology.
Austrian State Prize for Innovation 2013.



Innovation takes flight

The multicopter is a current innovation project for students and the maker community. A system solution with a total of 50 Infineon components – most of them developed in Austria.

Lively culture of ideas

1,428 suggestions for improvements realized with a value of €8.6 million (FY 2016)



Global research tasks

Getting to the top with effort and excellence

According to the Top 500 ranking in business magazine “trend”, in 2015 Infineon was the most research-focused industrial company in Austria. In the fiscal year 2016, approximately 22 percent of total sales went into research and development. There are 1,426 experts working in the development centers in Villach, Graz and Linz, developing new solutions, technologies and innovations.

Shaping Austria ...

Local competences and global research tasks have been continuously expanded at Infineon Austria in recent years in the areas of energy efficiency, mobility and security. The recipe for success includes short development periods, the highest quality and a focus on customer-oriented system solutions with a “from product to system” approach. The content-related focal points include the development of power semiconductors and thin wafer technologies, as well as sensors, micromechanics, new semiconductor materials and contactless security applications.

... shaping the world

In the context of international research cooperation, Infineon Austria plays a decisive role in shaping high-tech developments at world-class level. Thus, for example, together with the Institute of High Energy Physics at the Austrian Academy of Sciences, silicon sensors are being developed for experiments by the European Organization for Nuclear Research (CERN). These will assist in pushing back the boundaries of known physics and detecting previously undiscovered materials.



Most research-focused industrial company in Austria

287 initial patent applications
22% of sales income spent on R&D
€411.8 million spent on R&D
1,426 employees working in R&D

Innovations from Villach

Full power for greater energy efficiency

Microelectronics for automotive and industrial applications have been developed in Villach for nearly four decades. Infineon's global competence center for power electronics was established here in 1997.

More efficient and smaller energy-saving chips

Power semiconductors play a key role in electronic devices. They convert mains power from the outlet to the requirements of the respective device, in the aim of minimizing energy losses that mostly take the form of exhaust heat. The activities in Villach therefore focus on the development of increasingly small and energy-efficient chips to be used amongst other things in the mains units and chargers of consumer electronics, lighting, servers, domestic appliances, photovoltaic systems and power distribution via smart grids.

The many years of development experience in Villach are bearing fruit: Infineon is the world market leader in power semiconductors. To maintain this success, the team in Villach are already working on the next generation of chips, made of new materials such as gallium nitride (GaN) and silicon carbide (SiC). These chips can convert power much more efficiently and enable further miniaturization of the application, making chargers and mains units smaller and lighter.

Smart, safe and clean vehicles

The goal in the automotive research field is to design the next generation of vehicles. Here an efficient symbiosis is being created between power electronics and sensors. As one of the largest manufacturers of integrated sensors in the world, Infineon has delivered over 4.5 billion smart sensor components for automotive applications.

In Villach for example, linear Hall-type and angle sensors are being developed for electronic steering. A further application is the antilock braking system (ABS), where magnetic sensors measure the wheel speed and transmit the data to the corresponding control unit in the vehicle. A more recent development is 3D magnetic sensors, which are able to measure movements in all directions. This makes them universally deployable, amongst other things for joystick-type applications in cars and consumer electronics. As well as classic performance, functional safety plays an ever-greater role; this applies to both the autonomous detection of malfunctions and the countermeasures introduced. The result is intelligent cars with greater safety.

Expertise from Villach ensures safer solutions with increased convenience together with lower energy consumption, for example also in electric and hybrid vehicles.

Analog, digital and more

The technical expertise from Villach contributes to the further development of Infineon's leading position in the analog mixed-signal range on the global market. Here the focus is on the development of circuits that – as the name implies – process digital as well as analog signals.

Specifically, the development teams focus on analog mixed-signal solutions in the areas of power management, microcontrollers, clock systems, sensors, driver circuits for high-voltage switches and converters, amplifier circuits and various other analog circuits.

These components are used in many different applications in telecommunications, healthcare, computer electronics and the automotive industry. Thus the Infineon MEMS-based (microelectromechanical systems) silicon microphone, used millions of times around the world, was also partially developed in Villach.

Technology from Villach can be found in:

- › LED lighting
- › Servers
- › Photovoltaic systems and wind parks
- › Antilock braking systems
- › Electronic power steering
- › Electric and hybrid vehicles
- › Fridges and induction stoves



Did you know that the so-called inverterization in many new household appliances reduces their electricity consumption by more than 30 percent? Infineon Austria develops semiconductors that help to form the basis of inverterization.



since 1979

Global
competence center
for power electronics



Global competence center
for contactless technologies



since 1998

Did you know
that the world's first NFC payment
ring uses a contactless security
chip from Infineon Graz?
The waterproof smart wearable
functions like a contactless
payment card.

Innovations from Graz

Contactless, secure, mobile

While Villach is responsible for power electronics, Graz handles contactless and security technologies. From its development center in Styria, Infineon runs its global competence center for everything that is radio-connected. Whether we are talking about the Near Field Communication (NFC) transmission standard, radio components for cars, such as tire pressure sensors, or security chips – the team in Graz has been a driving force in innovations in security and mobility since 1998.

Technology from Graz can be found in:

- > NFC ATM cards
- > Payment and credit cards
- > Security components for PCs and tablets
- > Health cards (e-cards)
- > Control of automatic transmissions



Security is paramount

In Graz Infineon develops both contact-based and contactless security chips to meet various standards for data transmission, in the aim of further increasing data transmission rates and finding new form factors for contactless applications. These chips enable convenient contactless payment by means of innovative smart wearables, such as the NFC-supported armbands or the stickers from Erste Bank and Sparkassen, or the world's first NFC payment ring in line with the international EMV standard.

Augmented reality for smartphones

With its PHAB2 Pro, Lenovo is the first manufacturer in the world to offer a smartphone with spatial perception, made possible by Google Tango technology and the 3D image sensor chip developed in Graz, which generates a three-dimensional image of its surroundings in real time.

In addition, Infineon in Graz also develops specifically integrated switches for automotive applications along the vehicle drive chain. These include switching circuits for diesel and petrol engine control, precision current regulators for the precise control of automatic transmissions, or automotive generator control units.

Innovations from Linz

High-frequency development

With the Danube Integrated Circuit Engineering (DICE) holding company, Infineon Austria operates a development center for high-frequency parts in Linz. The focus is on 77 GHz radar chips for driver assistance systems – an area in which Infineon is the global market leader, with 20 million chips sold to date. These systems make driving cars safer and more comfortable thanks to active action taken by the system during driving, for example through pedestrian recognition, distance warning and automatic emergency braking. Assistance systems are one of the fastest-growing application areas in the automotive industry, and are also one of the essential requirements for fully autonomous driving.

Radar chips made with expertise from Linz were used in January 2015 when Audi demonstrated with the A7 Piloted Driving Concept that autonomous driving is no longer just a vision of the future.

Technology from Linz can be found in:

- > Radar chips for driver assistance systems
- > Distance warning systems
- > Automatic emergency braking
- > Autonomous vehicles
- > Aerial switches
- > Receiving amplifiers



Innovation through cooperation

The development center, with around 100 employees, was created in 1999 as a spin-off from the Johannes Kepler University Linz. In 2009, the development team presented the world's first 77 GHz radar chip to use silicon-germanium technology. The other key areas of activity include aerial switches and receiving amplifiers for communication and navigation applications. These products are used by all the well-known manufacturers of mobile phones and navigation systems.

Spin-off from the Johannes Kepler University Linz



since 1999

Did you know that more than half of all new vehicle radar systems worldwide are fitted with 77 GHz chips from Infineon? Infineon is the world market leader in radar chips for distance warning systems – that's expertise from Linz.



Copyright Audi AG





National and international research collaborations

Good alone, better together

Partnerships and research networks are an essential success factor in strengthening a knowledge-based industrial location in the face of global competition. Therefore Infineon Austria cooperates with leading research establishments and is involved in many strategically relevant collaborations on a national and international level.

The company has had a leading involvement for years in EU research initiatives for the further strengthening of Europe's leading role in the development and manufacture of innovative power electronics. This includes projects such as the eRamp (Excellence and Speed in More than Moore Technologies), PowerBase (Enhanced Substrates and GaN Pilot Lines Enabling Compact Power Applications) and IoSense (Internet of Sensors).

Pioneer in Industry 4.0

The Semi40 (Power Semiconductor and Electronics Manufacturing 4.0) project launched in 2016 aims to take the next step in Industry 4.0 applications and contribute to the further development of autonomous factories. Headed

by Infineon Austria, with 37 partners from five countries and a volume of €62 million it is one of the largest Industry 4.0 projects in Europe. Through its role as a pioneer in Industry 4.0, Infineon Austria is contributing substantial expertise to the project.

National clusters pool their competences

Networking and creating shared competences in micro-electronic and nanoelectronic systems – this is what Infineon is pursuing with collaborations in Austria. This includes partnerships with local research facilities such as the AIT – Austrian Institute of Technology, Joanneum Research and CTR – Carinthian Tech Research.

Infineon is also actively involved in Silicon Austria, the high-tech initiative from the Federal Ministry for Transport, Innovation and Technology, clusters in Carinthia, Styria and Upper Austria, as well as in nationwide platforms, such as ECSEL-AT (Electronic Components and Systems for European Leadership Austria) and on the topic of electromobility in the Austrian Mobile Power initiative.

The Semi40 project headed by Infineon Austria is one of the largest Industry 4.0 projects in Europe.

Project volume: €62 million
37 partners from 5 countries



131
research collaborations



Infineon Austria supports
4 endowed professorships:

- › University of Innsbruck
Power Electronics
- › University of Klagenfurt
Sustainable Energy Management
- › Graz University of Technology
Data Science
- › TU Wien
Industry 4.0

Educational collaborations

Partnerships with “teaching value”

Infineon Austria maintains partnerships with educational institutions to create the best framework conditions for the education and further training of young talents in natural scientific and technical disciplines in Austria.

Knowledge and technology transfer

In 2015, the many years of collaboration with the Faculty of Electrotechnology and Information Technology at Graz University of Technology on the subject of energy-efficient electronic systems was expanded into a cooperation agreement. A two-year working program was launched focusing on research and training in the areas of energy-efficient electronic systems, chip design, sensors and security.

In 2014, Infineon established the first endowed professorship for power electronics in Austria. €1.5 million will be invested in university education at the Faculty of Technical Sciences at the University of Innsbruck over the course of five years. The company will assist students in various

ways, including with practical work placements, Masters or PhD theses, or in the form of presentations by experts. In 2016, as part of its collaboration with the Management Center Innsbruck Infineon established a joint research laboratory, the “Emerging Applications Lab”.

In cooperation with Carinthian business partners, Infineon supports the endowed professorship for Sustainable Energy Management at the Alpen-Adria University of Klagenfurt. Infineon’s commitment is supplemented by its financial participation in the professorships for Industry 4.0 at the TU Vienna and for Data Science at the TU Graz, which are funded by the Infrastructure Ministry.

Doctoral theses at the highest level

Doctoral theses are another important contribution when it comes to the cooperation between universities, research facilities and industry. For this reason, in 2016 Infineon funded and supported more than 70 doctoral theses within the scope of the PhD initiative.

Employees at Infineon Austria

Our success is down to our people

Excellent employees are the foundation of Infineon Austria. They contribute significantly to the company's success with their motivation, flexibility and technical expertise, and shape the culture in the locations throughout Austria.

Actively shaping conditions

This makes it all the more essential for Infineon to offer an attractive working environment. The company therefore actively shapes the internal and external framework conditions with different initiatives and measures. These include flexible working time models, teleworking options, bilingual childcare facilities and a comprehensive health promotion program. By doing this, Infineon is laying the foundation for its employees to reconcile their careers with their families and create a healthy work-life balance.

Systematic support

Infineon develops and implements many initiatives to develop a management culture in line with the times, promote education and further training, inspire young talents to take an interest in technology, and systematically release the potential of diversity for the achievement of corporate success.

The company's educational initiatives are aimed at all ages – from childcare to universities, Infineon actively arouses interest in science, technology, engineering, and mathematics (STEM).



Taking the right steps

Leadership 2020 is the name of the Infineon Austria program that was founded specifically for managers as part of the corporate strategy. The aim is to develop management skills to sustainably strengthen the leadership culture in the company.

Dialogs and feedback

Regular dialog between managers and their employees is at the heart of the program. STEPS (Steps to Employees' Personal Success), an instrument for staff development, supports such dialog and mutual feedback as an essential element of the management culture.

Continuous development

The global Infineon Leadership Excellence Program has been developed as a new element of the path towards

leadership excellence. In a systematically structured format across all levels of the organization, this prepares new managers for their management responsibility and also assists experienced managers in undertaking their tasks.

In addition, a program for the next generation of managers supports staff who have only recently taken on management responsibility or show potential for further duties. They are able to develop their management skills in the part-time program at the M/O/T School of Management, Organizational Development and Technology at the Alpen-Adria University of Klagenfurt. The content they have learned during the course is then applied in a strategically-relevant practical project.

Within a career management context, a major development path has been implemented recently in the form of the project management career, which underlines the importance of project work for our corporate success.



23%
international
employees



16.2%
women's share

3,625
employees from
around 60 countries



A corporate culture for everyone

Embodying diversity together

Infineon Austria strives to recruit people with outstanding qualifications for the company and retain them in the long term – regardless of their age, gender, origin or skin color. The figures prove our success: 23 percent of our employees are from abroad, and around 60 countries are represented in the company. The reasons for this diversity are attractive framework conditions on the one hand, and projects with a global format on the other.

Supporting networks

Infineon's diversity management is based on three pillars: a strong commitment to women in technology and management positions, internationality and generation management. With active networks in particular, Infineon ensures fruitful interaction both inside and outside of the company.

The Gender Diversity Network, with active multipliers in Villach and Graz, systematically furthers measures in the Group to increase the proportion of women in technology and management. The Women's Day in Graz and Villach gives interested young women studying technical subjects an insight into the professional opportunities on offer in the high-tech sector.

Actively promoting integration

To help foreign workers feel at home outside of work too, there is close cooperation with the Carinthian International Club (CIC) network initiative. Founded in 2009, under the leadership of Infineon, it currently has 35 member companies and more than 1,000 individual members from 64 countries. It makes an important contribution to the sustainable integration of foreign employees and their family members. Infineon has been promoting a similar initiative with the Club International (CINT) in Graz since 2012.

As part of a cross-company integration initiative by Carinthian companies, in 2016 Infineon created three additional apprenticeships for people granted asylum. The project was initiated by the CEO of Infineon Austria, Sabine Herlitschka.

Generation management

A particular focus of the diversity initiative is on cross-generation learning. The goal is to maintain health, productivity and an innovative spirit across all age groups in the long term.



Work-life balance

Combining career and family

Offering employees a working environment that promotes innovation and creativity is particularly important at Infineon Austria. The prerequisites for this are a culture of trust, openness and flexibility on the one hand, and a good balance between career and private life on the other.

Individual needs

For this reason, Infineon has created numerous facilities and options. Thus in 2016 the bilingual International Day Care Center (IDC) was extended by a further 40 places. With only a few days when it is closed, and flexible and longer opening hours, the IDC addresses the needs of shift workers in particular. There are now a total of 120 day care places available for children aged from twelve months to six years, who currently come from 18 countries.

The same aim is pursued by the International School Carinthia (ISC) in Velden, a private all-day school which uses English as its main language and German as the second language. Children there are taught according to the Austrian curriculum as well as according to the learning goals of the International Baccalaureate.

An audit to support the path

Just how much value Infineon Austria attaches to the reconcilability of career and family is highlighted by the “berufundfamilie” audit. This state-awarded quality seal and the regular reviews associated with it support the path that Infineon is taking.

Initiatives for young people

Inspiring a passion for technology

Infineon Austria wants to inspire a passion for technology for young and old alike, and uses a variety of initiatives to raise awareness of the natural sciences and the associated phenomena. Since 2014 it has succeeded in reaching around 20,000 children, teenagers and students throughout Austria in this way.

Experiencing technology

Thus at the International Day Care Center, children perform natural scientific experiments in miniLABs under the instruction of Infineon experts. There is also an annual Girls' Day, where primary-school aged girls can discover their talents and abilities in the technical field in a fun way. Children are also given an insight into the world of technology on the Summerkids vacation program, organized by the Carinthian International Club.

Every year since 2007, teenagers aged 13 and 14 have been introduced to technical professions within the framework of the SEMI High Tech University in cooperation with the Carinthian University of Applied Sciences.

Open for young minds

Together with the Carinthian Industrialists' Association, Infineon enables school classes to visit the company, learn about modern professions and acquire their first experience of technology.

This experience is also offered to students in the Infineon high-performance class at the Lastenstraße polytechnic college in Klagenfurt, which specializes in mechanical and electrical engineering.



Finding and promoting talents

The job applicant market, a shortage of skilled labor, Generation Y – changes to the underlying conditions demand new recruitment strategies. The Talent Attraction Team uses a number of measures to find the right talents and win them over for Infineon Austria.

Insight and exchange

The platform iFINDmyTALENTS enables an exclusive and continuous exchange with the experts at Infineon for technical students.

A new initiative is the one-week Summer School, which took place in August 2016 at the microelectronics hotspot Villach. 35 students from the TU Wien were given an opportunity of combining the theory and practice of power electronics. They gained an exclusive insight into the everyday life of a high-tech company and the Villach region.

Training and development

Infineon attaches great significance to training and development in all areas as a decisive factor in being competitive. In this we work according to the 70-20-10 principle. 70 percent of learning takes place through practical professional experience, subject-specific tasks and problem-solving – in other words directly in the workplace. 20 percent takes place via access to networks, and above all through interaction with other people, and 10 percent of learning takes place within formal training.

The varied and high-quality internal and external training and development opportunities we offer range from specialist and methodological competences to courses on interpersonal and management skills.

Talents for the future

Customized trainee programs offer attractive entry options for top graduates. Through job rotation, systematic network-building, training measures, regular feedback loops and the exchange of knowledge, young talents are prepared to take over complex end functions.

High potential individuals from various areas of the company can also put their skills to the test on the customized development program “Juniorenkreis”. The 18-month program encourages their individual strengths, develops their interpersonal and methodological skills and expands their networks.

An apprenticeship with added value

The double apprenticeship as a mechatronics technician (automation technology) and electrical technician (plant and industrial engineering) offers professional training with a wide variety of career opportunities, and the Austrian high school leaving certificate (Matura) can also be acquired alongside. At the moment, about one third of the apprentices are female. To increase this proportion, Infineon aims to introduce girls to the fascination of technology as a partner in the “Mädchen – Lehre – Technik” project together with the Girls’ Center in Klagenfurt.





Photo: Industriellenvereinigung/Kurt Prinz



Factory 2015

Award for the most efficient production plant in Austria in the category "Groups" and special prize for "Maintenance"

22,000 m²
class 10+ clean room area

up to 1,200
individual work steps for each wafer

around 1,800 product types
processed simultaneously

Production and technology

Leading factory for innovative semiconductors

Power semiconductors for applications in automotive and industrial electronics are the main product in Villach. The site is an integral and important part of the front-end production network, with partner factories in Germany and Malaysia. This means that Villach is where the future is being created – for Infineon and for everyone.

Precision work for market success

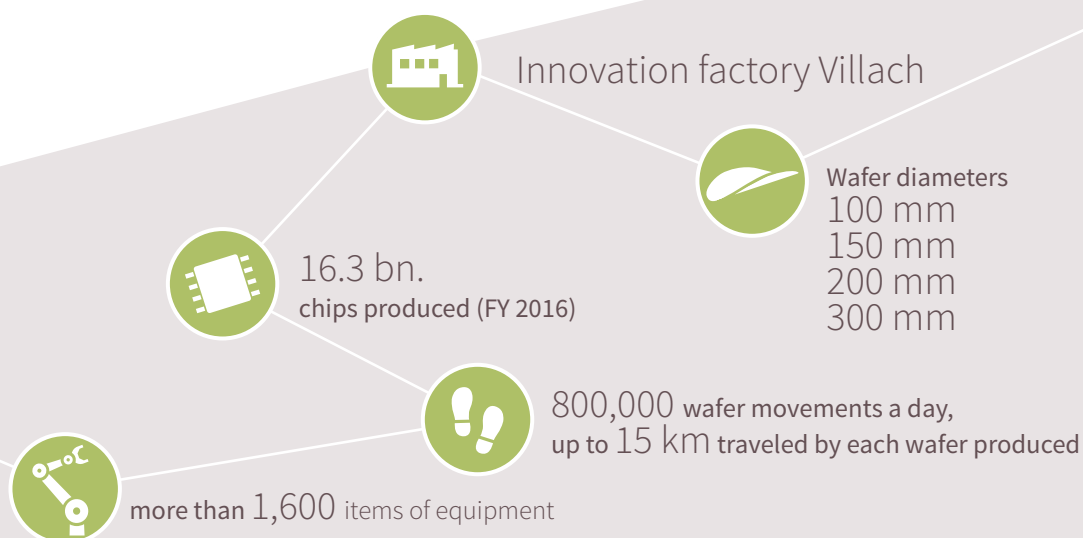
In the fiscal year 2016, 16.3 billion chips were produced in Villach. The electronic components are processed on silicon discs called wafers. These parts are produced and tested in different technologies and complexities in up to 1,200 production steps and with four different wafer diameters. In total, the factory produces approximately 1,800 basic product types simultaneously in the best quality, around the clock and 365 days a year. Maximum reliability and precision are required here: accuracies up to well below 100 nanometers, i.e. approximately 700 times less than the diameter of a human hair, prove the site's vast technological competence.

Knowledge-based production

Synergies in research, development and production at the site drive the development of new, pioneering products to production maturity. To strengthen global competitiveness, production technologies and manufacturing competences are continuously developed, most of all by the expansion of production in line with the principles of Industry 4.0. This modern environment makes Infineon Austria a pioneer when it comes to smart production.

THE factory 2015

This performance has also gained external recognition. In 2015 the Villach factory was named the most efficient production plant in Austria in the "Groups" category by Fraunhofer Austria Research and "Industriemagazin". Infineon also received the special prize in the category "Maintenance".



Quality as a guiding criterion

Continuous improvement

Customers expect the highest quality. This is also what drives Infineon Austria. Our approach is called Zero Defects, which means not delivering a single defective component to our customers. Infineon adheres to this by continuous improvement, minimizing deviations and consistently eliminating them.

On the test bench

Every single chip goes through comprehensive inspections, and is subsequently thoroughly tested throughout the production process. Continuous certification of our production in accordance with the ISO 9001:2008 quality programs and the ISO TS 16 949:2009 automotive standard supports us in doing this. Smart automation in production and the introduction of Advanced Process Control regulation mechanisms ensure further quality improvements.

To adapt this quality even better to the customers' wishes, Villach closely cooperates with other Infineon sites in Europe and Asia. Many international customers were impressed by the high production quality and the processes at the site during visits and audits over recent years.

Purity as the highest requirement

Producers of semiconductor components particularly need high-quality resources and materials as well as ultrapure ambient conditions. Villach uses clean rooms up to class 1, which means that 28 liters of air contain no more than one dust particle over 0.5 micrometers in diameter. By comparison, a hospital operating theater contains 1,000 to 10,000 particles, clean mountain air approximately 100,000 particles and normal ambient air about one million particles.

Endurance testing

In the test lab (Reliability Product Testing Center) at the Villach site, the quality components for automotive and industrial facilities are tested for reliability under the most stringent conditions. The results achieved serve as the basis for production and delivery approval, and ensure market readiness.



Combinations as the recipe for success

Excellence from the idea through to the product

The recipe for our successful innovation in production is the combination of research, development and high-volume manufacturing in Villach. The optimized pooling of competences and cross-departmental teams permit short processing times from the idea through to the finished product.

Villach's production innovations focus on several areas: single-process technology, equipment engineering, new materials and future-oriented automation, digitalization and production concepts.

Success story Power300

The best example of this is the world's first production of power semiconductors in 300-millimeter thin wafer

technology. These particularly thin energy-saving chips ensure even more efficient energy conversion in electronic systems. At the same time, mass production is made much more productive. A 300-millimeter wafer allows the production of around two and a half times as many chips in one production run as a 200-millimeter wafer.

After Infineon Austria had produced the first chips using this technology in 2011, another milestone was reached in early 2013: the successful qualification of a completely continuous production line and customer approval for production. The volume production of this new generation of power semiconductors for automotive applications began in Villach in mid-2015. At 60 micrometers (0.06 millimeters), these new chips are among the thinnest of their kind in the world, and make a major contribution to reducing vehicles' CO₂ emissions.



Comprehensive production expertise

The driving force for technology leadership

The trend towards ever smaller and lighter end devices also poses a great challenge for the production of power semiconductors. Our answer to this is thin wafer technology and innovative basic materials.

The thinner the better

Infineon Austria has expertise that is unique in the world: it produces up to 40-micrometer (0.04 millimeters) thin silicon wafers in high volumes. For comparison: a normal sheet of paper is around 110 micrometers (0.11 millimeters) thick.

New materials for everyday use

The use of new semiconductor materials such as silicon carbide (SiC) and gallium nitride (GaN) enables particularly

high-performance and fast-switching mains units to be produced with maximum reliability and low electricity consumption. Products from these technologies are used in markets that are key for the future, such as solar energy and wind power, drive mechanisms in public transport, hybrid and electric cars, and household appliances.

MEMS strengthen market success

MEMS – microelectromechanical systems – are also produced in Villach. These microsystems are used every day in many areas, e.g. in tire pressure sensors or as a silicon microphone. The further development of MEMS components is not only expanding Infineon's local product, technology and production competences, but is also driving its global market success. The proof: one in three smartphones in the world now contains a silicon microphone "made in Austria".



Photo: Meier Zeitung GmbH & KG/Helmut Wechselbraun

The factory of the future

The semiconductor industry inhabits a dynamic environment. Only those companies that succeed in mastering the increasingly complex topics and take active steps towards increased innovation in development and production will remain globally competitive market leaders in the future too.

Industry 4.0, which comprises networked and knowledge-intensive production, offers the opportunity of accelerating innovation and improving productivity and quality. Infineon Austria is implementing this as a pioneer in Austria. The Villach building complex for research, development and production, which was completed in 2015, represents the heart and brain of Industry 4.0 activities.

Evolutionary development

The first elements of a smart factory are already in operation in Villach. Thus products are permanently and uniquely localized in production, and every finished product reports measurement data back to the production units via the run-through manufacturing units, in order to automatically optimize the conditions for subsequent products.

In the Industry 4.0 pilot area, special facilities from semiconductor production – known as ion implantation – have been consolidated in a defined area. The use of sensor technology in combination with communication and data processing systems makes it possible for decisions to increasingly be taken autonomously during production.

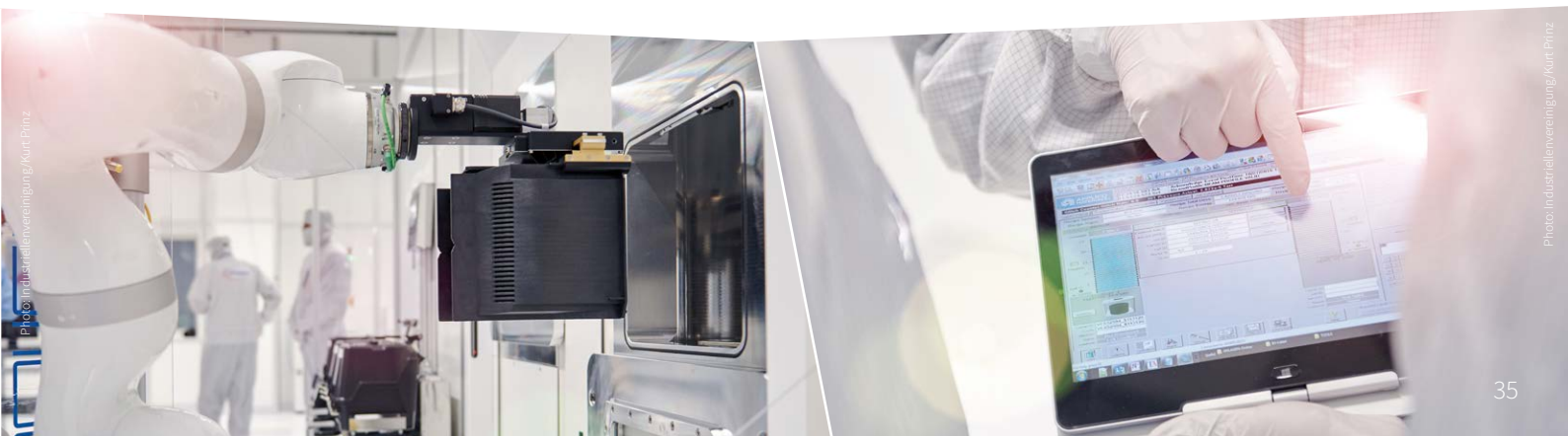
Data for more precise planning

In future, the greater interlacing of development and production will enable new products or processes to be shown in dynamic simulations, which will enable more precise planning and shorter product development times. Suppliers and other sites will be increasingly integrated into the overall process.

Examples of the jobs of the future

Infineon Austria is carefully analyzing the changes that Industry 4.0 is bringing to production jobs. Systematic training measures have been introduced for existing staff and new job profiles have been created, while control center technicians with mobile control stands monitor production and control the systems.

“We want to use the solutions developed in Villach throughout the entire Infineon network and in our links with customers and suppliers.”
Dr. Reinhard Ploss, CEO of Infineon Technologies AG





Corporate social responsibility

The driver for a future worth living in

For Infineon Austria, sustainability means striking the right balance between successful business management and consciously interacting with people and the environment. “Simpler, safer and greener”: these three words are clearly evident in the development of ever more energy-efficient products and in the corporate culture itself. The role-model effect associated with this is a strong driving force for further activities that will create a future worth living in.

Goals for the protection of people and the environment

In 2005, Infineon brought together safety at work, health and environmental protection, and energy management to create IMPRES (Infineon Integrated Management Program for Environment, Energy, Safety and Health). This summarizes holistic and preventive processes, strategies and goals for Infineon Austria in line with these key areas. The results of the statutory requirements and the many voluntary achievements in just under two decades have been recognized and honored by external, independent testing centers.

Health²

Health promotion multiplied by prevention equals healthy employees and the repeated awarding of the quality seal of approval for workplace health promotion. Prevention, exercise, nutrition and mental health are promoted with the support of the Medical Service Center at the Villach site, and with two doctors and a nurse on hand. Support also comes from the Health Team, a work group made up of different departments, which focuses on the subject of health at the site. A range of fitness and health offers, an annual health day, an internal mediator team and training courses in the areas of stress management and burnout prevention contribute to general well-being. This is supplemented by the option of external psychological counselling – free of charge and anonymously.

Voluntary commitment since 1997

- › EMAS (Eco Management and Audit Scheme of the European Union)
- › Environmental management standard ISO 14001
- › EMAS Award: 2013 and 2009
- › The first company validated pursuant to the EMAS-III regulation in Austria
- › For the seventh time in a row, among the most sustainable companies in the Dow Jones Sustainability Index
- › In October 2016 included in the Ethibel Sustainability Index (ESI) Excellence Europe

IMPRES definition

Matrix certification in accordance with the standards:

- › ISO 14001 (environmental management)
- › OHSAS 18001 (safety management)
- › ISO 50001 (energy management)

In the Infineon Group, less is more



–45%
less electricity



–33%
less water



–47%
less waste

consumed per cm² manufactured wafer than the global average

Energy management

Energy efficiency 2020

The Industry 4.0 pilot area in Villach, which was newly constructed in 2015, implements pioneering digitalization and automation methods in real-time operations. The project also makes sustainable contributions to increasing energy efficiency and provides essential savings across the entire value-added chain. The building infrastructure and systems are equipped with sensors and smart meters for the intelligent control and regulation of the facilities, so that the energy consumption is adjusted even more precisely to the respective production utilization. In a pilot project in 2016 an eleven percent saving in energy was achieved through the intelligent control of cooling units. The data collected in this way is used for computer models and simulations to survey further saving potential.

Long-term commitment pays off

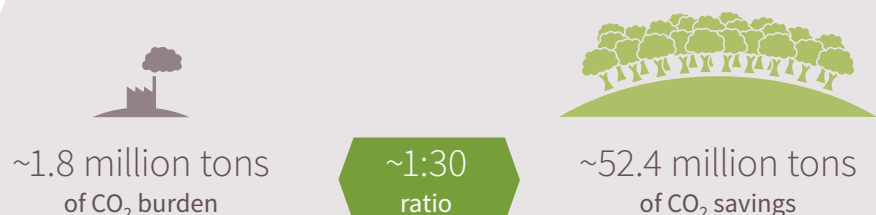
When designing new procedures, technologies and innovations, Infineon Austria attaches great importance to environmental compatibility and sustainability. The company switched the heat supply at the production site in Villach from natural gas to district heating some time ago, thus contributing to a sustainable regional and

autonomous heat supply. In this way, nearly 70 percent less energy from natural gas was needed in recent years, and approximately 50,000 tons of CO₂ in emissions per year is saved through the use of electricity from 100 percent hydroelectric power and other forms of ecological energy from the Carinthian energy supplier Kelag. With up to 20 percent exhaust heat use and continuous system improvements, the factory in Villach is also one of the most energy efficient semiconductor plants in the world. The five e-charging points set up on the company premises in 2016 also serve as role models. The acquisition of electric vehicles for business travel supports a form of mobility that is environmentally sound and conserves resources.

The 2020 Energy Efficiency Project promotes the continuous improvement of energy efficiency. Within the scope of sharing best practice, a continuous exchange of experiences also takes place with other Infineon sites as well as outside the semiconductor industry. Detailed information on environmental, safety and energy management at Infineon Austria can be found in the annual environmental statement on our website: www.infineon.com/austria.

CO₂ balance sheet

enabled by Infineon products and solutions



Net ecological benefit: CO₂ emissions reduction of around 50 million tons

Outstanding achievements

Innovation	
Austrian State Prize for Innovation	2013, 2000
Innovation and Research Award of the Province of Carinthia	2012, 2009, 2005
DICE – Innovation Award of the Province of Upper Austria, 3rd place in 2008	2010, 2008
FIT-IN Project Award “Beyond Serial CMOS Links”	2007
CONEX Business Process Award	2006
Leonardo Award	2004

Quality and delivery reliability	
Most efficient production operation in Austria, Special prize for maintenance	2015
EFQM Excellence Award, Finalist	2014
Austrian State Prize for Company Quality	2012, 2001
Jury Prize for Innovation and Nomination for the State Prize for Company Quality	2011
Artesyn "Strategic Supplier Status"	2010
Toyota "Best of Excellent Quality Award"	2009
Tridonic.Atco "Excellent Supplier 2008"	2008
Tridonic.Atco "Performance Certificate"	2010
European Supply Chain Excellence Award	2008
Recognized for Excellence 4*qualityaustria	2008
Sony Energy Devices Appreciation Award	2007
Emerson Marquee Supplier	2007

Equal opportunities and support for young talents	
Career's Best Recruiter	2016, 2013
Basic-level certificate - berufundfamilie audit	2016, 2013
Business Award for Integration	2010
KNEWLEDGE State Prize	2010
Trigos Kärnten Award	2010, 2008
State Prize for Equal Opportunities in R&D	2009
Special prize ebiz egovernment award	2009, 2008
ebiz egovernment award Carinthia	2008
Anton Benya Prize	2008

Environmental protection, health, other awards	
Sabine Herlitschka, Manager of the Year, Carinthia	2016
Smoke-free Company Carinthia	2016
Global Player Award of the Austrian Economic Chamber, Foreign Trade Austria	2015
EMAS Prize	2013, 2009
Trigos Kärnten Award	2012, 2007
Quality Seal for Workplace Health Promotion	2016, 2012, 2009, 2006
Fonds Gesundes Österreich "Workplace Health Promotion", 2nd place	2008
Eco Audit Prize	2001



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