



# Principles of Procurement

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## Introduction

As a globally operating company and a member of the Global Compact Initiative of the United Nations (“UN Global Compact”), Infineon Technologies takes its role in the multinational community seriously.

We commit ourselves to the principles of the UN Global Compact, taking into account international and local laws as well as cultural practices, and we adhere to the principles we defined for ourselves in our own Business Conduct Guidelines.

For us, sustainability is the linkage of social, ecological and economic responsibility. We expect our suppliers of services, products, materials, tools and equipment (**hereinafter referred to as “Supplier(s)”**) to demonstrate their responsibility in the same manner.

Our Suppliers shall meet our environmental protection, occupational safety, health protection and other safety requirements. Furthermore, our Suppliers shall satisfy our expectations in respect of social and labor conditions in their own business. Consequently, our Suppliers shall assume corporate social responsibility and actively contribute to a sustainable society.

## Subject and Scope

The Principles of Procurement reflect the essential business behavior requirements as outlined in our Business Conduct Guidelines, which can be accessed at our corporate website [www.infineon.com/conductguidelines](http://www.infineon.com/conductguidelines).

All of our Suppliers shall comply with all requirements described herein. In addition, each of our Suppliers shall ensure that its affiliates, contractors and subcontractors also comply with all requirements described herein.

Each of our Suppliers shall comply with all laws and regulations applicable to the manufacture, sale and supply of services, products, materials, tools and equipment or to our finished semiconductor products.

Furthermore, each of our Suppliers shall adhere to the principles of the UN Global Compact.



## Human Rights

We respect and observe internationally proclaimed human rights, including the rights of personal dignity and privacy. We ensure that we are not complicit in human rights abuses, whether directly or by way of beneficial or silent complicity.

Our Suppliers shall comply with these principles.

## Labor Standards

We are against all forms of child labor. Our Suppliers shall not permit work to be carried out by persons under the age of 15. Exceptions apply to employment relationships in developing countries operating under the International Labour Organization (ILO) Convention 138 or to governmental authorized job trainings or apprenticeship programs that clearly benefit the persons participating.

We are against any form of forced labor. Hence, we demand that Suppliers reject forced labor as well.

While we recognize and respect cultural differences, we believe that workers should be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs. We recruit, select, train, promote and compensate employees solely on the basis of work-related criteria. Furthermore, we compensate our employees fairly for their work with wages that meet at least minimum legal standards and adhere to the applicable laws, regulations and agreements on working hours and general working conditions.

Our Suppliers shall comply with these principles.

Furthermore, our Suppliers shall treat their employees with respect and dignity. Our Suppliers shall not tolerate any discrimination, harassment or offense based on race, color, national origin, gender, religion, age, disability, union or political affiliation, sexual orientation, marital or family status. Any forms of sexual harassment, corporal punishment, physical coercion and verbal abuse shall be prohibited, as well as any intimidating, **hostile or offensive conduct that interferes with an employee's** work performance.

In addition, our Suppliers shall ensure that their employees are able to communicate and share grievances openly with management regarding working conditions and management practices without any fear of reprisal, intimidation or harassment.



### **Fair Business Practices**

Our reputation depends on how we treat people we deal with every day in the conduct of our business. Therefore we uphold our reputation by:

- abiding by the rules of fair competition and anti-trust laws
- working against corruption in all its forms
- not taking advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts and any unfair dealing practices
- complying with applicable laws
- respecting contractual obligations
- avoiding any business behaviour which might be considered improper
- protecting all confidential information
- respecting other parties' intellectual property

Our Suppliers shall comply with these principles.

### **Business Gifts**

Our employees are not allowed to accept any gifts other than gifts of nominal value. This includes the acceptance of any favors that might give rise to the appearance of improper influence.

Our Suppliers shall comply with this business practice.

### **Conflict of Interest**

Our employees are required to act in a way to promote our best interests. Our employees shall never use their employment with us for any unjust enrichment.

Our Suppliers shall ensure that their employees adhere to the aforementioned principles. In addition, the employees of our Suppliers shall refrain from offers that could give rise to the appearance of a conflict of interest for our employee.

### **Occupational Safety and Health**

We are committed to protect our employees' health and safety.

Consequently, our Suppliers shall provide a safe and healthy working environment for all their employees and minimize all risks and hazards at all workplaces in order to protect the health and well-being of their employees, contractors and third parties visiting the premises.



Our Suppliers shall train their employees regularly in health and occupational safety issues. Furthermore, our Suppliers should implement and administer an occupational health and safety system according to OHSAS 18001 or equivalent.

### **Environmental Protection**

The protection of the environment is an integral part of our business decisions and we are committed to conduct our business in an environmentally responsible way.

Consequently, our Suppliers shall assume global and local environmental responsibilities and take the necessary steps to protect the environment in the various regions of the world in which they are operating. Our Suppliers shall minimize the environmental impact of their services, products, materials, tools and equipment at the earliest possible stage.

Our Suppliers shall train their staff regularly in environmental protection issues. Furthermore, our Suppliers should implement and administer an environmental management system according to EN ISO 14001 or equivalent.

### **Security**

Our Suppliers shall strongly support our efforts regarding security in the supply chain and the protection of our assets, in particular our intellectual property and products. Our Suppliers shall ensure that their security policies are effectively implemented, regularly checked and continuously improved.

Furthermore, our Suppliers shall participate in relevant government security initiatives that are designed to strengthen the security of their supply chains and national borders and comply with security regulations defined by these initiatives. Examples of such initiatives include, but are not limited to, the secure trade partner programs according to "WCO SAFE Framework<sup>1</sup>".

In addition, our Suppliers shall ensure that their employees, affiliates, contractors and subcontractors and other business partners comply with the applicable foreign trade laws.

### **Business Continuity Planning**

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



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

**Management System Processes**

Our Suppliers shall adopt or establish documented and adequate management system processes designed to ensure compliance with these Principles of Procurement and with all applicable laws, regulations and standards to identify and mitigate related risks and to facilitate continuous improvement. Our Suppliers shall provide us with information thereof upon request.