



## Infineon Technologies responsible global supply chain management

### - Conflict Minerals Policy -



Corporate responsibility and respect of human rights are essential for Infineon Technologies AG and its subsidiaries (collectively referred to as “**Infineon**”), in all our operations and our global supply chain. Thus, Infineon is committed to the target that its products must not contain “Conflict Minerals that directly or indirectly finance or benefit armed groups or conflicts such as the ongoing conflict in the Democratic Republic of Congo and adjoining countries (“**DRC**”).

“**Conflict Minerals**” as defined by Securities and Exchange Commission (SEC) rules means cassiterite, columbite-tantalite, gold, wolframite, or their derivatives, currently limited to **tantalum, tin, tungsten and gold**<sup>1</sup>. Parts of these Conflict Minerals are mined and sold by armed groups to finance the conflict in the eastern DRC which is characterized by an extreme level of violence.

On 21 July 2010, the United States of America enacted legislation that requires companies which are publicly listed in the US to provide disclosures of the use of Conflict Minerals originating from any “**Covered Country**” (Sec. 1502 Dodd-Frank Wall Street Reform and Consumer Protection Act). Covered Countries shall mean DRC or an adjoining country (presently Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia). On 22 August 2012, the US Securities and Exchange Commission issued a final rule to implement the disclosure requirements (“**SEC Final Rule**”). Even if Infineon is not publicly listed in the US, the SEC Final Rule indirectly affects it and its suppliers. In order to satisfy their obligations under the SEC Final Rule, US public companies must obtain assurances from their suppliers, such as Infineon, and those suppliers, in turn, must obtain assurances from other entities further down the supply chain.

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<sup>1</sup> Unless the United States Secretary of State determines any other derivatives or any other minerals and their respective derivatives to be financing the conflict in the Covered Countries.



Infineon is taking systematic steps for responsible sourcing to avoid the use of Conflict Minerals in its supply chain that directly or indirectly finance or benefit armed groups in the DRC and thereby is achieving and maintaining a supply chain that is “**DRC Conflict Free**”<sup>2</sup>. These systematic steps are based on the five-step framework for risk-based due diligence on the source and chain of custody of Conflict Minerals in our supply chain according to the OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas (“**OECD Guidance**”).

Infineon expects its suppliers to have in place due diligence measures in accordance with OECD Guidance or any other nationally or internationally recognized supply chain due diligence standard of equivalent nature ensuring that direct materials, parts, components, sub-assemblies supplied to us are DRC Conflict Free. Based on the foregoing, Infineon expects that suppliers can reasonably demonstrate that they have exercised due diligence on the source and chain of custody of Conflict Minerals and verify on an ongoing basis – e.g., by participation in established supply chain communication processes such as the “Responsible Minerals Assurance Process (RMAP)” or otherwise – that their products are “DRC Conflict Free”. Infineon requires that suppliers whose products contain tantalum, tin, gold and tungsten submit this information to Infineon using the standardized **Conflict Minerals Reporting Template (CMRT) issued by the Responsible Minerals Initiative (RMI)** that traces the metals back through the supply chain.

As a member of the RMI, Infineon supports such industry initiatives to validate responsible and sustainable sources of raw materials. Infineon suppliers are requested to urge smelters and refiners

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<sup>2</sup> DRC conflict free “means that a product does not contain conflict minerals necessary to the functionality or production of that product that directly or indirectly finance or benefit armed groups” as defined SEC Rule 13p-1 under the Securities Exchange Act of 1934.



identified in their supply chain to complete an independent third-party conflict minerals audit process and remove those which have not passed or are unwilling to participate in such an audit from their supply chain.

Our objective is to have and maintain a conflict-free supply chain. If Infineon becomes aware of a supplier whose supply chain includes Conflict Minerals which are not “DRC Conflict Free”, we will take the appropriate actions to remedy the situation in a timely manner, which includes reassessment of supplier relationships, to achieve that objective.

### **Cobalt Due Diligence**

As a responsible company, Infineon has, on a voluntary basis, expanded its activities relating to social and environmental responsibility in the supply chain by including cobalt in our due diligence program for the responsible procurement of minerals. The DRC has around 50 percent of global cobalt reserves and produces the largest quantity of cobalt in the world. Serious concerns have been raised in several reports about the social and environmental impact of cobalt extraction, including child labor and unsafe working conditions in cobalt mines.

Infineon requires suppliers whose products contain cobalt to exercise a due diligence over their cobalt supply chains in accordance with OECD Guidance and submit this information to Infineon by using the standardized **Cobalt Reporting Template (CRT) issued by the Responsible Minerals Initiative (RMI)**.

Furthermore Infineon requires its cobalt suppliers to ensure that the cobalt mining activities are free from human rights violations, including child labor and unsafe working conditions. Infineon will annually update its supplier survey and encourage the cobalt smelters to participate in relevant third-party audit programs.