



MIDA-FMM National Investment Seminar

Breakout Session 1: Industry Linkage Programme

Theme: From Local to Global

Florian Herrmann, Chief Financial Officer at Infineon Technologies (Malaysia) Sdn. Bhd.
13th June 2024



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Infineon at a glance

Growth areas



Energy
green and efficient



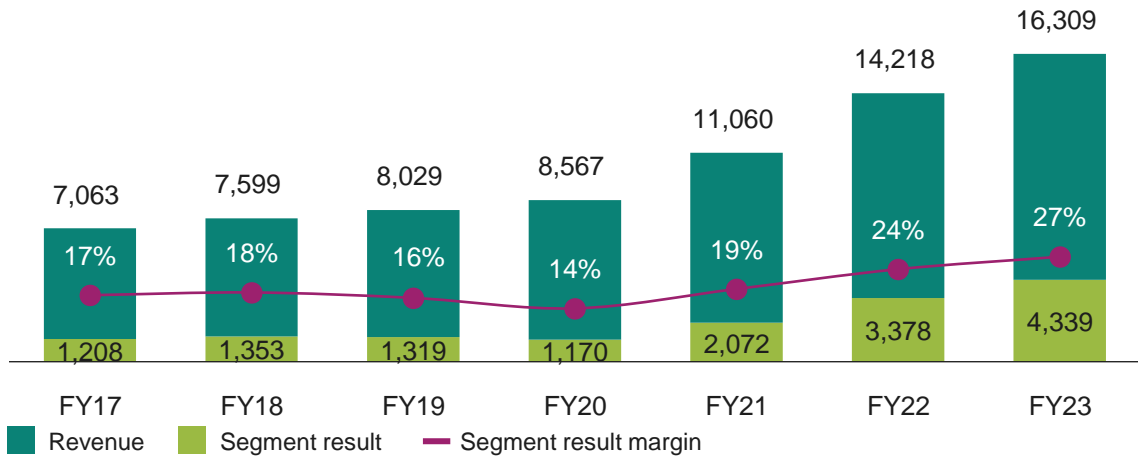
Mobility
clean and safe



IoT
smart and secure

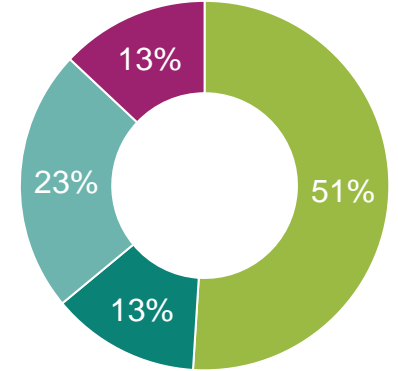
Financials

[EUR m]



FY23 revenue by segment¹

- Automotive (ATV)
- Green Industrial Power (GIP)
- Power & Sensor Systems (PSS)
- Connected Secure Systems (CSS)

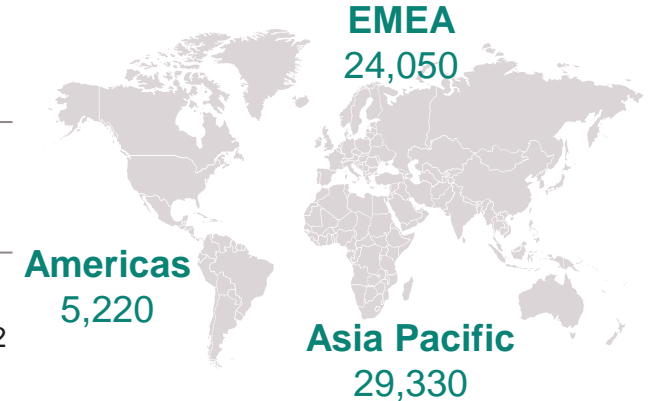


Employees²

58,600
employees worldwide

69
R&D and

17
manufacturing locations²



For further information: [Infineon Annual Report](#).

¹ 2023 Fiscal year (as of 30 September 2023) | ² As of 30 September 2023

Infineon in Malaysia – Key Data

Manufacturing locations & Presence

- › **Major manufacturing locations**
 - › Kulim, Kedah (Northern region)
 - › Melaka (Southern region)
 - › Penang (Northern region)
- › **Long established presences in Malaysia:**
 - › Kulim: 19 years of Front End
 - › Melaka: 51 years of Back End
 - › Penang: 21 years of Front End



People & Investment

- › Over 15,400 employees – largest headcount by country
- › Cumulated investments of over MYR29Bil

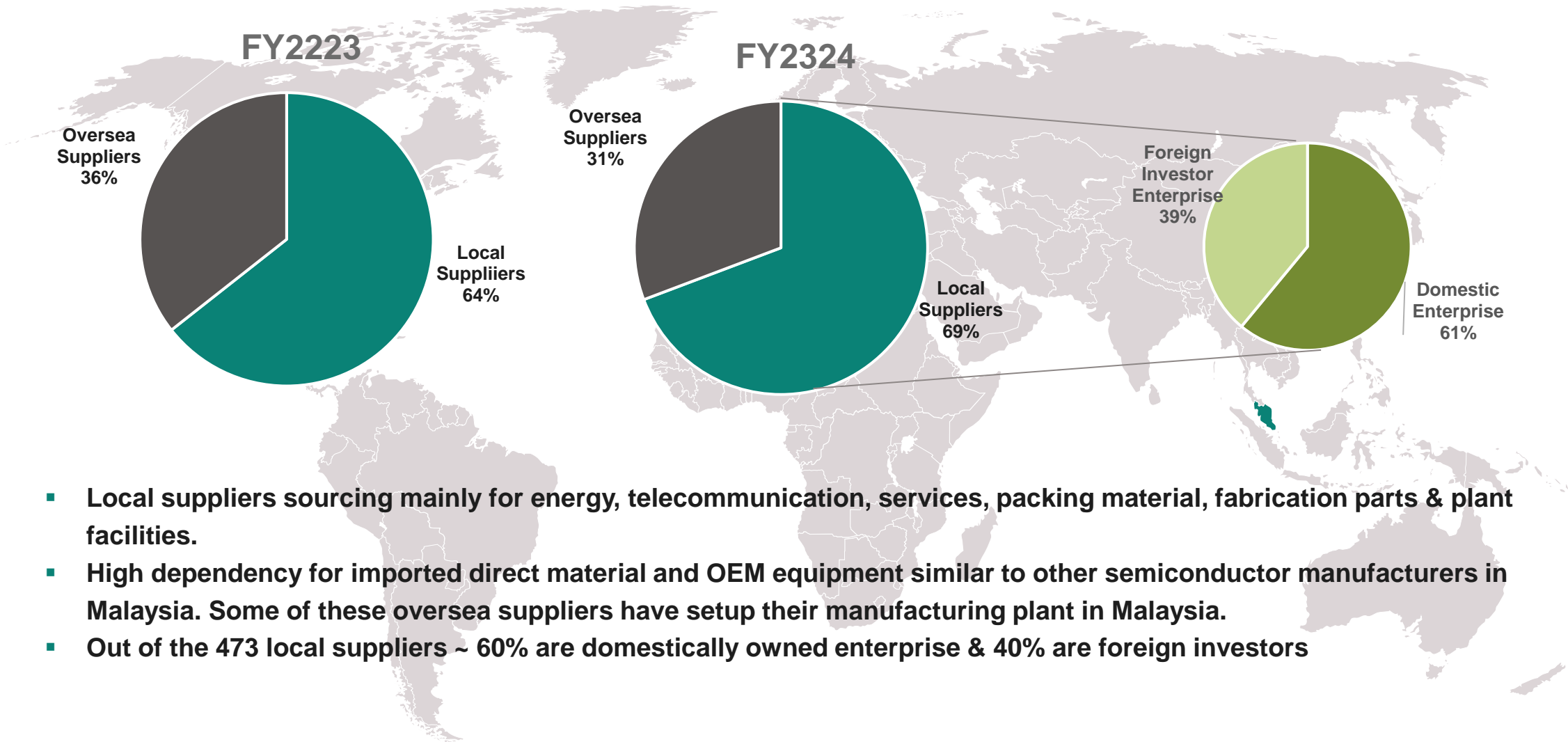
Infineon at a Glance

- › **Full production value chain and end-to-end semiconductor manufacturing process:**
 - › Kulim: Frontend Manufacturing - Wafer Fab / Wafer Processing, R&D
 - › Melaka: Backend Manufacturing - Assembly & Test, R&D (Package, Test and Product development), Global Expert Services
 - › Ipoh: Development & Manufacturing Support
 - › Penang: R&D, Global Finance Service
- › Roll-out of Industry 4.0 and automation
- › Key player in supporting Malaysia's economic transformation program by helping to develop the local E&E ecosystem and talent pool

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Sourcing of suppliers in Malaysia made up ~70% of Infineon Malaysia's supplier base, with appx 50% of our spending



- Local suppliers sourcing mainly for energy, telecommunication, services, packing material, fabrication parts & plant facilities.
- High dependency for imported direct material and OEM equipment similar to other semiconductor manufacturers in Malaysia. Some of these overseas suppliers have setup their manufacturing plant in Malaysia.
- Out of the 473 local suppliers ~ 60% are domestically owned enterprise & 40% are foreign investors

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Local Sourcing is crucial & we are keen to develop these suppliers

Competitiveness in QCD - Quality, Cost & Delivery is one of the prerequisite when it comes to assessment of feasibility for localization of commodities or services.

We partner with suppliers to build up their technical competencies

We drive suppliers towards Supplier Code of Conduct commitment

We are also responsible to execute Consequence Management action against any supplier found to have breached any of the above

Supplier Code of Conduct communicates basic business conduct standards to suppliers and establishes accountability



What it is?

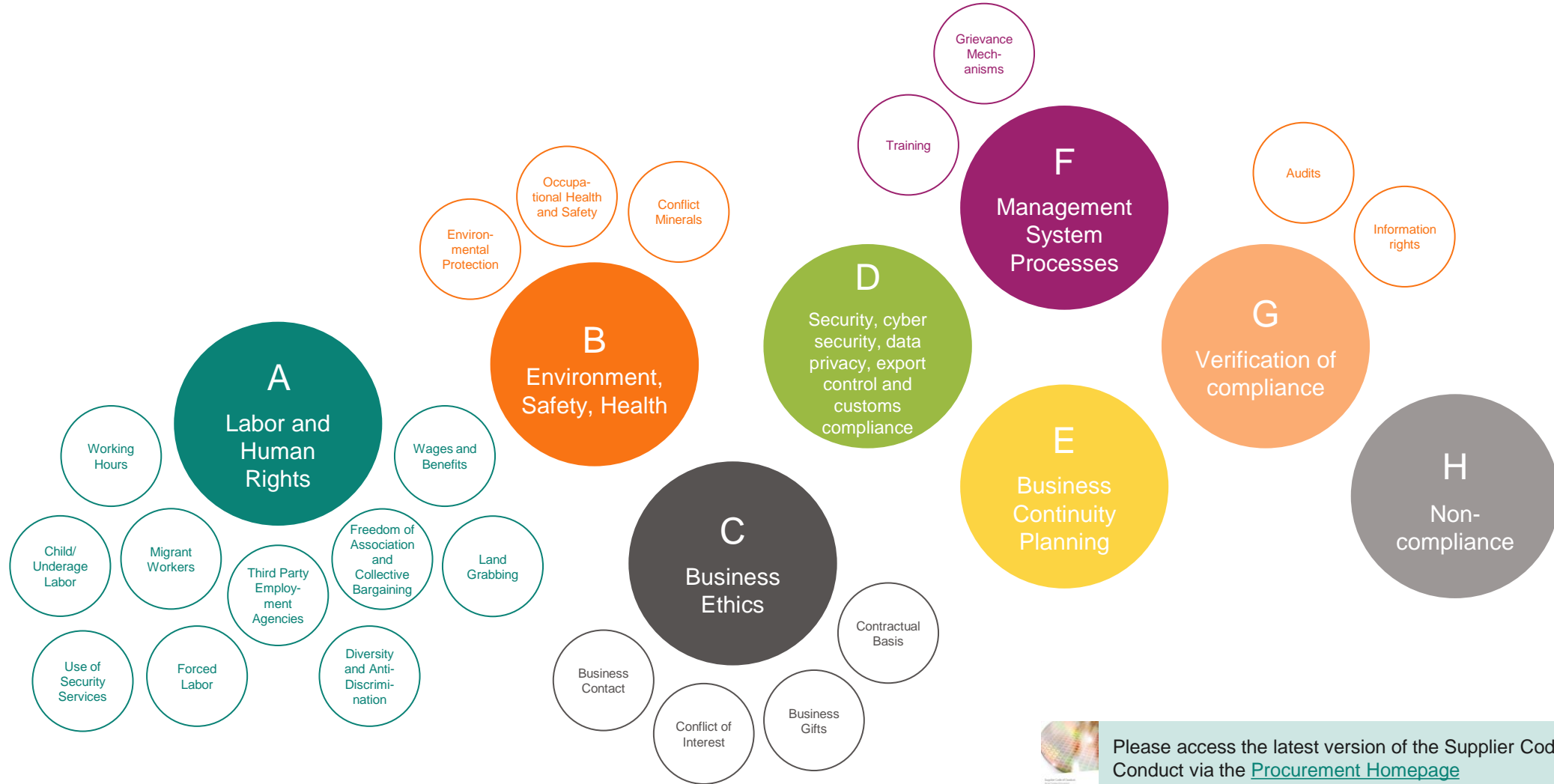


- › Reflects the basic business conduct standards that we expect all our suppliers to uphold
- › Combines requirements from regulations and key stakeholders (e.g., customers, investors) and is based on international standards
- › Is part of our Infineon General Terms & Conditions

Why is it important?

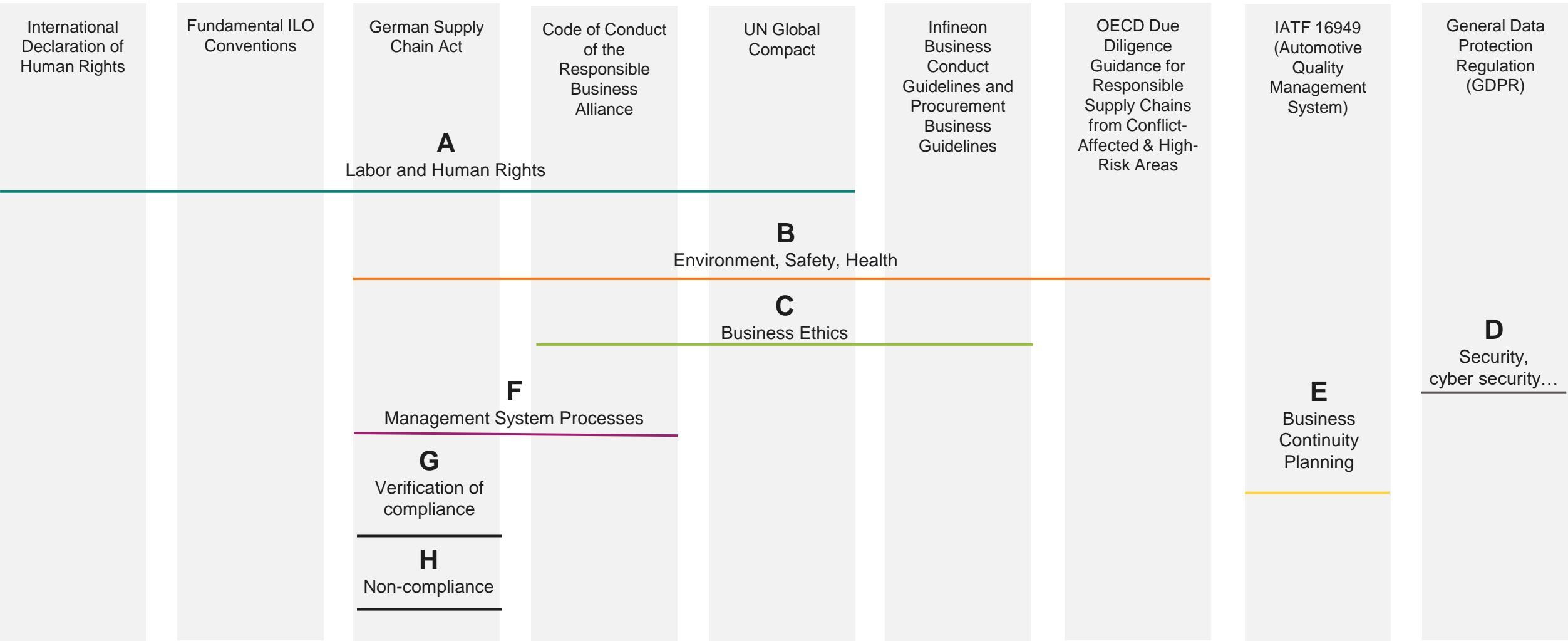
- › Demonstrates transparency of Infineon business conduct standards throughout the supply chain
- › Establishes accountability for suppliers to comply with these standards
- › Summarizes the standards that we expect our suppliers to implement with their suppliers and subcontractors

The code includes human rights and environment-related standards as well as control mechanisms to verify compliance



Please access the latest version of the Supplier Code of Conduct via the [Procurement Homepage](#)

Our Supplier Code of Conduct is based on international standards and regulations



RBA Principles

- a) Infineon is a global member of the [Responsible Business Alliance \(RBA\)](#) and therefore have fully integrated the **principles of the RBA Code** into our Supplier Code of Conduct.
- b) As stated there, all of our Suppliers shall comply with all requirements described herein.
- c) In addition, each of our Suppliers shall ensure that its affiliates, contractors and subcontractors also comply with all requirements described herein.



- a) Infineon ialah ahli RBA dan oleh itu telah menyepadukan sepenuhnya **prinsip Kod RBA** ke dalam Supplier Code of Conduct
- b) Seperti yang telah dinyatakan, semua Pembekal kami hendaklah mematuhi semua keperluan yang diterangkan di sini.
- c) Di samping itu, setiap Pembekal kami hendaklah memastikan bahawa ahli gabungan, kontraktor dan subkontraktornya juga mematuhi semua keperluan yang diterangkan di sini.

RBA Code of Conduct is a set of social, environmental and ethical industry standards, reference to international norms & standards including the;

- [Universal Declaration of Human Rights](#) (UN),
- [ILO International Labor Standards](#),
- [OECD](#) Guidelines for Multinational Enterprises,
- ISO and [SA standards](#), and many more.



Kod RBA merupakan satu set piawaian industri sosial, alam sekitar dan etika, merujuk kepada norma & piawaian antarabangsa termasuk;

- Deklarasi Universal Hak Asasi Manusia (PBB),
- Piawaian Buruh Antarabangsa ILO,
- Garis Panduan OECD untuk Perusahaan Multinasional,
- piawaian ISO dan SA, dan banyak lagi

Important momentum in the semiconductor industry to take decarbonization action and set science-based targets



Infineon climate strategy

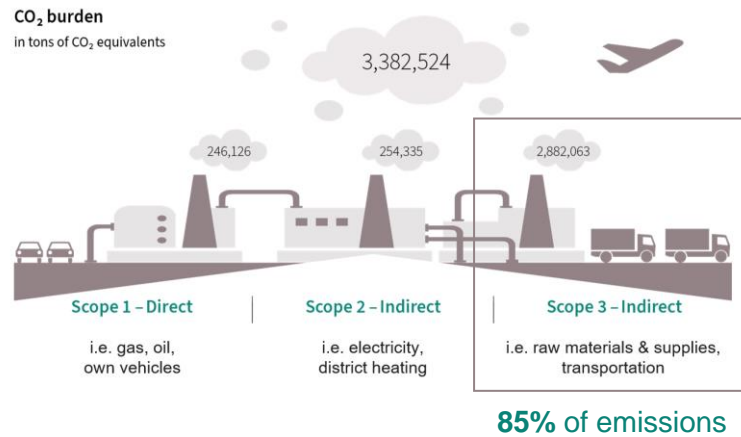


- 100%** renewable electricity by 2025
- 70%** reduction for scope 1+2 by 2025 from 2019 baseline
- Carbon neutral** by 2030



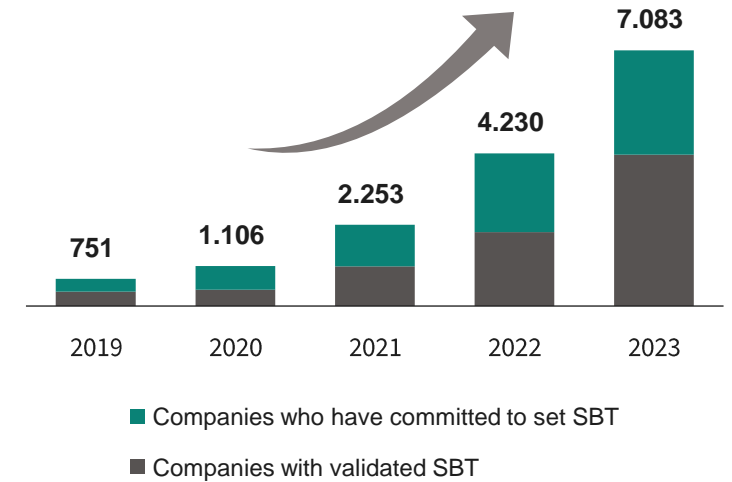
Infineon is leading by example:
Since 2019 we **halved our CO2 emissions** while **doubling our revenue**

Supply chain innovation and collaboration is key



In December 2023, we **committed** to set a **science-based target**, expanding our climate strategy to the **supply chain**

Science-based targets as THE standard for climate action



We are collaborating with our **suppliers** to set **science-based targets** and set a **clear signal** to their stakeholders.



Science-based target (SBT) = Greenhouse gas emission reduction target that is **in line with what the latest climate science** deems necessary to meet Paris Agreement goals, limiting global warming to **well-below 2°C** above pre-industrial levels and pursuing efforts to limit warming to **1.5°C**. Science Based Targets Initiative (SBTi) is the “owner” of the standard.

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Procurement Personnel contact point at Infineon Malaysia:

Infineon Melaka

Ms. Liow Ju Im

(Procurement Senior Director)

Free Trade Zone, Batu Berendam, Melaka

+60 6 251 8535

juim.liow@infineon.com

Infineon Kulim

Mr. Lee Kok Eng

(Procurement Senior Director)

Lot 10 & 11, Jalan Hi-Tech 7, Industrial Zone Phase II, Kulim Hi-Tech Park

+60 4 427 8868

kokeng.lee@infineon.com



Infineon Technologies (Malaysia) Sdn. Bhd.

The Largest Manufacturing Site of Infineon



Total Land Area : 205,746 m²
Total Building Area : 212,399 m²
Total Production Area : 78,897 m²
No. of Employees : 10,557 (April 2024)
Year of Incorporation : 1973
Investment : > MYR 15'2 Billion

Backend Manufacturing:

Segments:

- > Power Logic (Assembly & Test)
- > Discrete
- > Sensor & Chip Card

Clusters:

- > IE, OPC, QM, OSAT

R&D:

- > Backend / Package Development
- > Development Center (Test & Product)
- > Test Technology & Innovation

Expert Services:

- > Global Sample Center
- > Procurement AP Service Center
- > Global IT, FI Operation Center Melaka
- > Global Test Technology & Reliability Test Services
- > HR Service Center



Free Trade Zone, Batu Berendam, Melaka



Infineon Technologies (Kulim) Sdn. Bhd.

Largest 200mm Front-End Manufacturing Site



Total Land Area	: 400,000 m ²
Total Building Area	: 198,269 m ²
Total Production Area	: 42,908 m ²
No. of Employees	: 4,364
Year of Incorporation	: 2005
Investment	: >MYR 14.0 Billion



Lot 10 & 11, Jalan Hi-Tech 7
Industrial Zone Phase II, Kulim Hi-Tech
Park, 09090 Kulim
Kedah

Productions

- › Front End 200mm wafer fabrication for Automotive, Green Industrial Power & Power and Sensor Systems.
- › Roll-out of Industry 4.0 and automation
- › To start manufacturing Wide Band-gap technologies in CY2024

R&D:

- › Front End wafer fabrication technology development; developing world class technologies for Silicon microphone, Power MOSFET and High Voltage up to 3300V IGBTs and Diodes

