About this report

This report documents Infineon's environmental and social performance during the 2024 fiscal year. We would like to illustrate how sustainability contributes to Infineon's business success and how our activities in this area create value for all our stakeholders.

Information on Infineon's financial status and performance in the 2024 fiscal year has been published in the Annual Report 2024. 🖥 www.infineon.com/annualreport

In the 2024 fiscal year, the German CSR Directive Implementation Act requires Infineon to publish a combined Non-Financial Statement in accordance with §§ 289b and 315b German Commercial Code. This Non-Financial Statement is published as a combined separate Non-Financial Report within this Sustainability Report. The legally required information is contained in the chapters highlighted with a gray page border. References to information within the Combined Management Report are also a part of the Non-Financial Report. 📄 p. 18 ff. of the Annual Report 2024

In accordance with the EU Taxonomy Regulation and the related Delegated Acts, we disclose in this report the proportion of our Taxonomy-eligible Group-wide revenue, capital expenditures and operating expenditures and also the proportion of our Taxonomy-aligned Group-wide revenue, capital expenditures and operating expenditures for the 2024 fiscal year.

The reporting period covers the 2024 fiscal year, from 1 October 2023 until 30 September 2024. We publish this report annually. The previous report was published in November 2023 as a supplement to the Annual Report 2023. Unless otherwise specified, the statements and key figures in this report refer to the 2024 fiscal year. To help readers identify and interpret the trends relating to quantitative disclosures, this report includes data from at least the 2023 and 2024 fiscal years, if relevant. Data relevant to Cypress, which became part of Infineon in April 2020, are included in the carbon neutrality goal we set with the 2019 calendar year as the base year. Deviations between amounts presented are possible due to rounding.

Reporting

This report has been prepared with reference to the GRI[1] and UN Global Compact principles and standards. These reporting criteria are complemented by corporate rules. In this report, Infineon also describes the measures implemented relating to the UN Global Compact principles (see the chapter "Our contribution to the UN Global Compact principles", 📄 p. 62 f.).

In the chapter "Sustainable Development Goals", Infineon also reports for the eighth time in a row on the processes and steps implemented to support the Sustainable Development Goals (SDG) of the UN. 📄 p. 64 ff.

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich (Germany), has provided independent limited assurance regarding the specified sustainability performance information provided in this report in accordance with the "International Standard on Assurance Engagements 3000 (Revised)", the pertinent standard for assuring sustainability information. In addition, the following selected indicators were subject to a reasonable assurance audit: the proportion of women in management positions, technical PFC[2] reduction and energy efficiency measures combined with savings in CO_2 equivalents and CO_2 emissions (scope 1 and 2). Two assurance reports by the independent auditor Deloitte GmbH Wirtschaftsprüfungsgesellschaft are published at the end of this report and contain further information. 📄 p. 74 ff.

The Infineon website contains explanatory notes on the main data and other information pertaining to this report. 🖥 www.infineon.com/csr_reporting

Determining the content of the report

Infineon engages in continuous dialog with its stakeholders. In our materiality analysis, we evaluate the expectations and requirements of our internal and external stakeholders with regard to sustainability in various topics in accordance with the framework for sustainability reporting, the GRI Standards.

1 GRI: Global Reporting Initiative.
2 PFC: Perfluorinated compounds.

First, we identified Infineon's most important stakeholders, taking into account the dimensions set out in the Stakeholder Engagement Manual drawn up by the organization AccountAbility: responsibility, influence, proximity, dependency and representation. Second, consideration was given to general as well as sector-specific and company-specific sustainability standards appropriate for determining the material topics for assessing Infineon's sustainability performance. Third, relevant topics were preselected based on our corporate strategy and stakeholder expectations. Finally, we assembled our in-house experts to discuss the topics chosen and any potentially related risks or opportunities that could impact the long-term performance of the organization. The various Infineon divisions and departments use different communication channels and continuously engage in conferences, forums, industry association activities and surveys to ensure targeted communication with the corresponding stakeholder groups. The legal definition of materiality was taken into account in the course of these four steps. The results of this analysis and the material topics were confirmed by the Infineon Management Board in this reporting year. This report describes these topics. In accordance with the GRI Standards framework on sustainability reporting, CHART 02 shows how Infineon evaluates impact along the value chain.

Effective risk and opportunity management is a key element of our business activities. It supports the achievement of our strategic goals, namely, sustainable profitable growth and ensuring efficient use of capital. We have established a variety of coordinated risk management and control system elements oriented towards the realization of our risk strategy. These elements include, in particular, not only the Risk and Opportunity Management System and the Internal Control System with respect to the financial reporting process but also the associated planning, management and internal reporting processes and our compliance management system. Further information is available in the chapter "Group strategy" as well as in "Risk and opportunity report" in the chapter "Report on outlook, risk and opportunity" in the Annual Report 2024.

Progress during the 2024 fiscal year, the achievement of our targets, and the associated key performance indicators are described in this report and in the chapters "Business model" and "Group strategy" in the Annual Report 2024.

CHART 02 **Material topics and impact along the value chain**

Material topics	Reporting boundary[1]	Supply chain[2]	Infineon[3]	Customer[4]
Long-term viability of core business	internal/ external	medium	high	high
Contribution through sustainable products	internal/ external	medium	high	high
Responsible manufacturing	internal/ external	medium	high	low
Diversity and equal opportunity	internal	low	high	low
Corporate citizenship	internal/ external	low	high	low
Business ethics	internal/ external	medium	high	medium
Labor relations	internal	none	high	none

1 Reporting refers to activities within and/or outside the company.
2 Production materials, products and services.
3 Production processes.
4 Product application.

Long-term viability of core business: Semiconductors are crucial to solve the energy challenges of our time and shape the digital transformation. This is why Infineon is committed to actively driving decarbonization and digitalization. As a global semi-conductor leader in power systems and IoT, we enable game-changing solutions for green and efficient energy, clean and safe mobility, and smart and secure IoT. We make life easier, safer, and greener. Together with our customers and partners. For a better tomorrow.

This opens the door to a new dimension of resource efficiency, connectivity and intelligence with far-reaching consequences for our society and our economy. According to forecasts from Statista, the number of IoT devices worldwide will more than double, from 15.9 billion in the 2023 calendar year to more than 32.1 billion in the 2030 calendar year.

According to a current forecast by International Data Corporation, the annual data volume generated worldwide in 2027 will reach up to 284 zettabytes (1 zettabyte = 1,000,000,000 terabytes). Increasing connectivity opens up further opportunities for efficiency and also for decarbonization.

Our sensors, processors, security controllers, connectivity components and power semiconductors set the standards for highly developed sensor technologies, cross-application control and optimized power management. They make the IoT context-aware, intelligent, secure and energy-efficient. Additional information about this material topic can be found in the chapters "Contribution through sustainable products" and "EU Taxonomy" of this report as well as in "The segments" in the chapter "Business model" and in the chapter "Group strategy" in the Annual Report 2024.

Contribution through sustainable products: Microelectronics made by Infineon is the key to attaining better living standards. Our inventiveness and commitment let us create value for customers, staff and investors. We understand how technical systems can be made increasingly efficient through the use of semiconductors, providing sustainable solutions for the world of today and the world of tomorrow. This is an important contribution to society and to decarbonization. We make life easier, safer and greener – with technology that achieves more, consumes less and is accessible to everyone.

The manufacturing of sustainable products is an integral part of our business strategy. A large proportion of our annual expenditures on research and development is devoted to energy efficiency and climate protection.

According to the UN, the Earth is expected to have around 10.2 billion inhabitants by the 2100 calendar year, most of them living in cities. One consequence of this population growth will be a global rise in demand for energy. Generating energy from renewable sources rather than fossil fuels and using the energy produced more efficiently is one of the greatest challenges of the future, and semiconductors play a decisive role here. The biggest lever in energy savings is increasing efficiency of use. There are currently several hundred million industrial motors and billions of home appliances around the world, so the potential for energy savings is enormous.

In accordance with our environmental policy, possible environmental impacts are investigated at the earliest possible stage and are taken into account in the development of our products and processes. Infineon has created an integrated management system for this purpose, IMPRES (Infineon Integrated Management Program for Environment, Energy, Safety and Health). This applies to all our company activities, from procurement, development and manufacturing, all the way to the sale of our products. All our actions are based on compliance with applicable legislation and regulations.

Additional information is provided in the chapters "Contribution through sustainable products", "EU Taxonomy", "Our responsibility along the supply chain" and "Sustainable Development Goals".

Infineon enables the development of renewable energy as well as the energy-efficient storage, transmission and use of green electricity, such as through intelligent building management systems and sustainable mobility. In addition, power semiconductors from Infineon are essential for the generation of wind or solar power and for the expansion of the private and public charging infrastructure. New semiconductor materials such as silicon carbide (SiC) and gallium nitride (GaN) and innovative package technologies increase the efficiency and range of electric cars and speed up the charging process. Moreover, connected and assisted driving, as well as secured communication between the vehicles and the infrastructure, help to optimize traffic flows and improve the safety and efficiency of traffic.

Additional information on this material topic can be found in "The Infineon carbon footprint" in the chapter "Contribution through sustainable products" in this report as well as in "The segments" in the chapter "Business model" in the Annual Report 2024.

Responsible manufacturing: Respect for human rights and the promotion of cultural diversity and equal opportunity are essential for Infineon. As a signatory of the UN Global Compact, Infineon made a voluntary commitment to uphold the Ten Principles outlined there.

Principles 1 and 2 relate to human rights. The Human Rights Policy supports our global CSR framework by including a detailed description of Infineon's priorities and setting out how we intend to ensure respect for human rights within our own business area and with our business partners worldwide. This policy applies to Infineon and all affiliated companies. In our Business Conduct Guidelines, we set out mandatory rules on respect for human rights. Additional information on these topics can be found in the chapters "Business ethics", "Human rights" and "Our contribution to the UN Global Compact principles".

We also demand that our supply chain upholds these principles. This is why we have defined a Group-wide approach aimed at ensuring the necessary transparency within the supply chain. We expect our suppliers to commit to the values outlined in our Supplier Code of Conduct. The chapter "Our responsibility along the supply chain" contains further information on this topic.

The availability of natural resources is one of the greatest global challenges. Efficient resource management is therefore a central component of IMPRES. In the past, energy prices have been subject to fluctuations that were partly related to legal regulations. The economic benefit is another motivation for reducing our specific consumption by increasing our energy efficiency and has been part of our sustainability strategy for years.

Manufacturing semiconductors requires a wide variety of chemicals. At Infineon, we ensure that we handle hazardous materials in a highly responsible way.

We are subject to many laws and regulations that apply to areas such as environmental and climate protection, as well as the field of energy. Present or future environmental legislation and other government regulations, or amendments thereto, could require an adjustment to our operating activities and result in higher costs. Infineon keeps abreast of planned legislative changes and engages in these issues in various associations and organizations on an ongoing basis.

Infineon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year with respect to scope 1 and scope 2 emissions. By the end of the 2025 fiscal year, Infineon aims to have already achieved 70 percent of this target (compared with the 2019[1] calendar year). The Group presented its plans at the Annual General Meeting back in the 2020 fiscal year in Munich (Germany). Infineon wants to make an active contribution to global CO_2 reduction and to the implementation of the targets set out in the Paris Climate Agreement.

Additional information on these topics can be found in the chapters "Protection of our employees", "Environmental sustainability and climate protection", "Contribution through sustainable products", "EU Taxonomy" and "Sustainable Development Goals".

Diversity and equal opportunity: We want the best Infineon for everyone. Thus, we aim to incorporate all the characteristics and personality traits that make up each individual. Thus, we create a corporate culture that values the individuality of each employee and promotes equal opportunities. International customer relationships demand intercultural competence. Qualified job applicants expect an open working environment in which they can flourish, be accepted and feel that they belong. As an international company, staff diversity is particularly important to us. The promotion of women to leadership positions is a key focus. We have set ourselves a global target for gender diversity and aim to increase the proportion of women in management positions to 20 percent by the end of the 2030 fiscal year.

Promoting a healthy work-life balance is also essential for the professional success of our employees and is part of our human resources work. As emphasized in our Business Conduct Guidelines, we want to create an environment that provides both personal and professional opportunities for our employees. When we make human resources decisions (such as selecting, hiring, evaluating, and promoting personnel, or organizing job changes, remuneration or staff training) we are guided by the principle of equal opportunities, relevant qualifications, and performance.

1 In line with our carbon neutrality goal, with the 2019 calendar year as the base year, the relevant data of Cypress are included.

Additional information on this material topic can be found in the chapters "Business ethics" and "Human rights" and in "Encouraging diversity" in the chapter "Human resources management" as well as in the chapter "Sustainable Development Goals".
p. 14 ff., p. 17 f., p. 21 f. und p. 64 ff.

Corporate citizenship: At our sites, we support local communities in line with our sustainable business strategy. We are present at locations around the world dedicated to sales, research and development as well as manufacturing. The global presence of our sites is illustrated in "Headquarters and manufacturing sites" in the chapter "Business model" as well as in "R&D sites and application centers" in the chapter "Research and development" in the Annual Report 2024.
p. 22 and p. 35 of the Annual Report 2024

With our presence in different regions, we benefit communities in various ways – through job creation, with our innovative products and solutions, and with the taxes we pay, as well as through our societal and social commitment as part of our corporate citizenship activities.

Examples of Infineon's engagement are set out in the chapters "Corporate citizenship" and "Sustainable Development Goals".
p. 52 ff. and p. 64 ff.

Business ethics: To meet our own business ethics standards and, at the same time, act as a sustainable and responsible partner towards our stakeholders, we must consider, evaluate and address the risks both within and outside the company. Each year, as part of the compliance management system, a formal assessment of our risks takes place, focusing, in particular, on corruption and antitrust law. The measures to be taken are summarized in the compliance program and implemented during the fiscal year.

Employees and business partners can report any possible breaches to the usual internal bodies (Management, Human Resources and Compliance) or contact our Infineon Integrity Line, which also accepts anonymous reports. The Business Conduct Guidelines define our basic principles for ethical and legal conduct. They are an important foundation for our everyday activities and apply to all employees and members of corporate bodies around the world when dealing with one another and with our

customers, investors, business partners and the public. Infineon reports on the measures implemented relating to the principles set out in the UN Global Compact in the chapter "Our contribution to the UN Global Compact principles".
p. 62 f.

Additional information on this material topic is given in the chapters "Business ethics", "Human rights" and "Sustainable Development Goals" in this report, as well as in the "Statement on Corporate Governance pursuant to sections 289f and 315d of the German Commercial Code (HGB)" in the chapter "Corporate Governance" in the Annual Report 2024.
p. 14 ff., p. 17 f. and p. 64 ff. of this report and p. 87 of the Annual Report 2024

Labor relations: We are convinced that effective human resources and a secure working environment are prerequisites to our business success. Long-term high performance is only viable with satisfied and successful employees. In our strategic priorities ("Race for Talent", "Upskilling & Leadership Development", "Delivery Excellence" and "Set-up for Success"), we summarize all the daily activities we undertake to promote employees' performance and realize their potential in the best possible way.

In our Business Conduct Guidelines, we commit to protecting international human rights and labor standards, including protecting personal dignity and the privacy of every individual. Additional information about this is given in the chapters "Business ethics", "Human rights" and "Our contribution to the UN Global Compact principles".
p. 14 ff., p. 17 f. and p. 62 f.

Our Occupational Safety and Health Management System has been certified in accordance with ISO[1] 45001 and is designed to ensure that the necessary measures are taken to minimize risks identified in the working environment that could endanger our employees.

Additional information on this material topic is provided in the chapters "Human resources management", "Protection of our employees" and "Sustainable Development Goals".
p. 19 ff., p. 26 f. and p. 64 ff.

1 ISO: International Organization for Standardization.

Business ethics

A strong, value-based compliance culture is essential to our commercial success. Our business decisions are based on ethical principles and promote a positive corporate culture. We make no compromises when it comes to compliance with laws and regulations – and this applies at all times and worldwide. To ensure this is the case, we have implemented a global compliance management system.

Material topics
– Responsible manufacturing
– Diversity and equal opportunity
– Business ethics
– Labor relation

Infineon is committed to do not only what is legally permissible but also what is ethically right. We live in a culture in which high levels of integrity, reliability and quality are vital to win the trust of customers, investors and employees. For us, this means that we make commitments that are achievable and promises we can keep. Infineon requires that its employees and business partners respect and observe all applicable laws, rules and regulations. Essential principles of ethical behavior are defined in Infineon's Business Conduct Guidelines and CSR Policy. Some of these principles go beyond the legal requirements, in which case we are guided by international standards and principles, such as the International Bill of Human Rights or the UN Global Compact principles.

In order to implement these principles, Infineon has introduced a compliance management system for all Group companies. The compliance management system includes an annual formalized risk assessment, dealing in particular with corruption and antitrust law. The measures that need to be taken identified in the assessment are summarized in the compliance program and implemented during the fiscal year. The risk assessment entails both analyses at the Group level and structured interviews at the site and central function levels. The assessment essentially confirmed the known risk areas. The compliance program therefore includes detailed training and communication measures, business partner checks, internal controls, processes and tools, the revision of regulations and general advice on compliance issues.

The Chief Compliance Officer, heading a worldwide team, is responsible for coordinating the compliance management system. The Chief Compliance Officer reports directly to the Chief Financial Officer and on a quarterly basis to the Management Board, as well as to the Supervisory Board's Investment, Finance and Audit Committee. In addition to the development of our compliance program, the Chief Compliance Officer helps create guidelines, advises employees, receives complaints and information on relevant issues and heads the investigation of compliance cases.

In the 2024 fiscal year, an external auditing firm issued an unqualified audit opinion on the Group-wide compliance management system in accordance with IDW[2] Standard PS[3] 980. Employees and business partners also took advantage in the 2024 fiscal year of the opportunities available, both internally and externally (Management, Human Resources, Compliance and Infineon Integrity Line), to report actual or suspected violations during the year. In the 2024 fiscal year, the number of reports made and investigations conducted increased slightly. These trends are shown in CHART 03 on the following page. When assessing possible breaches, Infineon distinguishes between various categories and degrees of severity.

1 The Business Conduct Guidelines have been published in 17 languages.
2 IDW: The Institute of Public Auditors in Germany (German: Institut der Wirtschaftsprüfer) publishes Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems.
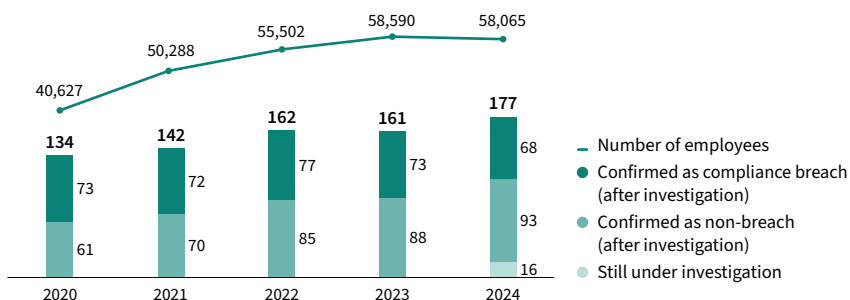3 PS: Auditing Standard (German: Prüfungsstandard).

A number of employees in the low double digits left Infineon as a result of a compliance case, either after the termination of their employment or voluntarily. Moreover, in other cases, sanctions in accordance with labor law were imposed, such as cautions and formal warnings.

The Business Conduct Guidelines form the central element of our compliance-management system. As a code of conduct, the Guidelines are an essential basis for our daily actions and apply to all employees and members of corporate bodies worldwide when dealing with one another, our customers, investors, business partners or the public. All the company's employees and members of corporate bodies are trained on the content on a regular basis in web-based sessions, virtual sessions or face-to-face. All employees are automatically enrolled in web-based Business Conduct Guidelines training (which forms part of the learning management system) on an ongoing basis.

CHART 03 **Reports of possible compliance breaches**

- Number of employees
- ● Confirmed as compliance breach (after investigation)
- ● Confirmed as non-breach (after investigation)
- ● Still under investigation

	2020	2021	2022	2023	2024
Number of employees	40,627	50,288	55,502	58,590	58,065
Total	134	142	162	161	177
Confirmed as compliance breach	73	72	77	73	68
Confirmed as non-breach	61	70	85	88	93
Still under investigation					16

This also applies to training for selected target groups on the topics of corruption prevention and antitrust law. All web-based training sessions are repeated every three years. Sales, marketing and procurement employees and other higher-risk target groups must complete two additional training sessions every year focusing on different aspects of antitrust law. As part of our compliance training concept, we are also constantly developing more training formats with new content (such as scenario-based training and virtual formats) to ensure sustained knowledge transfer of relevant compliance risks in target groups with higher risk exposure. The training concept is accompanied by regular communications, including podcasts, articles and posts on the intranet ("eMag"), in order to embed compliance topics and processes in the company. Business partners are contractually obliged to comply with the legal regulations. Suppliers acknowledge our Supplier Code of Conduct when signing the contract. In addition, we conduct business partner checks to ensure that we work together with law-abiding business partners with integrity.

Tax management and governance

Our business activities worldwide generate a variety of different taxes in the various countries, including corporate taxes, production taxes and other levies. Infineon also pays income taxes for its employees. The same applies to indirect taxes such as VAT (value-added tax). The taxes paid are an important part of our economic contribution in the countries where we operate. With our Tax Compliance and Governance Report, we disclose tax management and related governance matters and create an important basis for dialog with our stakeholders. Here, we conduct a continuing assessment of legal and regulatory requirements and the interests of these stakeholders. The Tax Compliance and Governance Report can be downloaded from our website. 🖥 www.infineon.com/tax_report

Personal data and the protection of privacy

Data protection is a high priority for Infineon. Our clear objective is always to process the personal data of employees, customers, interested parties, suppliers, investors and other partners in accordance with globally applicable data protection laws.

With the data protection management system, which we have been operating success-fully for many years and are continuously improving, we have adopted a structured and systematic approach that ensures compliance with globally applicable data protection laws. Within our management system, continual assessments are performed of changes to the legal framework, and potential improvements are identified. The main results of these assessments are reported to management all the way up to selected members of the Management Board, and appropriate measures are taken in response.

We process and use personal data only for legitimate purposes and do not sell these data.

Further information on this subject can be found on the Infineon website.
🖥 www.infineon.com/DPMS

Diversity in Infineon's corporate bodies

The promotion of diversity within the company is an important factor in corporate success. At the balance sheet date, 30 September 2024, the Supervisory Board consisted of 16 members in total, nine men and seven women. Two of the members were between 30 and 50 years old, while 14 members were over 50. CHART 04 and CHART 05

The Management Board consisted of five members as of the balance sheet date, including one woman. All the members of the Management Board were over 50 years old.

CHART 04 **Supervisory Board age structure**

Under 30 years	
30 to 50 years	12.5%
Over 50 years	87.5%
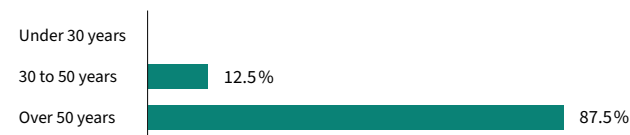
CHART 05 **Supervisory Board by gender**

- Male (56%)
- Female (44%)

Human rights

Respect for human rights and the promotion of fair working conditions are firmly embedded in our corporate culture.

TARGETS
p. 55 ff.

Material topics
– Responsible manufacturing
– Diversity and equal opportunity
– Business ethics
– Labor relations

Our commitment and our expectations

Respect for internationally proclaimed human rights and compliance with labor standards is a matter of course for us. We respect human rights in our own business area and require the same from our suppliers and partners. Infineon does not tolerate any violations of human rights. As far as human rights are concerned, as in other areas, we conduct our business activities in compliance with international standards and principles, such as the International Bill of Human Rights and its Universal Declaration of Human Rights, the fundamental principles of the International Labour Organization (ILO), the principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

Consequently, we address a wide range of relevant topics, such as the prevention of child labor, the prevention of involuntary labor and human trafficking, freedom of association and collective bargaining, diversity and equal treatment, humane treatment, occupational safety, health and environmental protection, responsible sourcing of minerals, responsible use of security services, the protection of natural resources, the prevention of the expropriation of land, responsibility in the supply chain, working hours and wages, salaries and benefits.

All work is performed without coercion of any kind and can be terminated by us and by our employees, provided reasonable notice is given. Our employees are compensated in accordance with applicable wage legislation and in compliance with the locally applicable minimum wage, regulations on overtime hours and legally prescribed additional benefits.

We have introduced a Human Rights Policy that sets out the ways in which we meet our commitment to respect human rights and what we expect of our employees, suppliers and partners in this respect. We revised this Human Rights Policy in the 2024 fiscal year in order to take into account the human rights risks that have been identified and prioritized as well as the corresponding action areas. The policy complements our CSR Policy, our Business Conduct Guidelines and our Supplier Code of Conduct (see the chapter "Our responsibility along the supply chain",).

Our Business Conduct Guidelines reflect our ethical principles and are the main foundation for our everyday conduct. The Guidelines specify our requirements with regard to labor, ethics and integrity, the prohibition of child and forced labor, working hours and non-discrimination (see the chapter "Our contribution to the UN Global Compact principles",). Our employees around the world receive regular training on the Business Conduct Guidelines.

Our CSR Policy describes our focus areas in relation to CSR and our voluntary commitment to implement the measures required. The CSR Policy is taken into consideration in our everyday business and applies to all our business relationships with our stakeholders.

The Infineon Technologies Slavery and Human Trafficking Statement, which was published in the context of the California Transparency in Supply Chains Act of 2010 and the United Kingdom Modern Slavery Act of 2015, underlines our complete rejection of any form of human trafficking or slavery. Infineon requires its suppliers to comply with all applicable laws, including those dealing with respect for human rights, as well as with fair business practices (see the chapter "Our responsibility along the supply chain", 📄 p. 48 ff.).

Additional detailed explanations are given in "Statement on Corporate Governance pursuant to sections 289f and 315d of the German Commercial Code (HGB)" in the chapter "Corporate Governance" in the Annual Report 2024. 🖥 p. 87 of the Annual Report 2024

Human rights risk management system
Infineon has set up a human rights risk management system to ensure compliance with applicable laws and regulations. It is designed to identify and minimize risks

CHART 06 **Infineon Human Rights Framework**
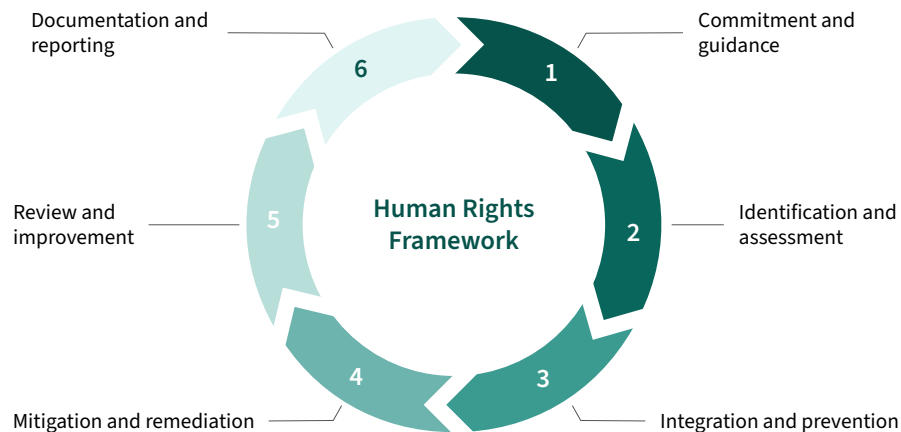
relating to human rights in Infineon's own business area and in the supply chain and facilitate continuous improvements, in order to prevent any breaches. CHART 06

In cases of suspected non-compliance, all stakeholders (e.g. Infineon employees, business partners or third parties) can report any concerns they may have via e-mail or by post to the Human Rights Officer or the Compliance department or via our whistleblower hotline (the Infineon Integrity Line). Enquiries and reports are treated confidentially, are protected against retaliation and are followed up by the Compliance team. Any indication of a potential or confirmed human rights breach in our supply chain or in our own business area is investigated immediately. Breaches of human rights and of current labor standards are reported to the Management Board.

Governance and training
On behalf of the Management Board, the Human Rights Officer is responsible for the human rights risk management system and the corresponding governance framework. The Human Rights Officer receives advice from the Human Rights Advisory Group and is supported by the Human Rights Office as well as the human rights site coordinators, who enable the implementation of the human rights risk management system in Infineon's own business area and in the supply chain worldwide. The Human Rights Advisory Group is a cross-functional team from Infineon's Legal, Procurement, Compliance, Human Resources and Communications departments.

In the 2024 fiscal year, we translated our human rights training module into yet another language, making it now available in eight different languages. The module contains explanations of basic human rights, and the role played by companies and international organizations in guaranteeing them, as well as the measures Infineon has adopted and the role each individual must play to ensure that human rights are respected.

Human rights training is mandatory for all Infineon employees worldwide and must be repeated every three years. We provide expert training for our human rights site coordinators on the subject of human rights and the duty of care in relation to human rights, with the aim of continually enhancing their expertise.

Human resources management

Our employees are the focus of our actions. This is reflected in all areas of human resources. We aim to find the best talent and to continue to develop and retain our employees and managers.

TARGETS
p. 55 ff.

Material topics
– Diversity and equal opportunity
– Labor relations

Our engagement in human resources (HR) is an essential factor in our efforts to achieve sustainability. Our conviction that only contented and successful employees will ensure high performance in the long run characterizes all our employee development measures as well as our measures for attracting new employees. We use regular employee surveys to monitor our progress with regard to employee satisfaction.

In addition to the HR department, the Chief Executive Officer of Infineon Technologies AG, in the role of Labor Director, is directly involved in HR policy. On a regular basis, the strategic deployment of HR management is discussed with all members of the Management Board, and the objectives for the following fiscal year are defined. Our HR strategy is explained in greater detail in the Annual Report 2024.

The HR concepts based on this strategy are described below.

Development of employees and managers

An organization cannot progress without open and honest feedback. This basic premise is reflected in our values, which are collectively defined in our "High Performance Behavior Model". These values are not purely theoretical: the "High Performance Behavior Model" shows how we aim to achieve Infineon's targets and set its priorities. CHART 07

CHART 07 **High Performance Behavior Model**

Wheel diagram with center: "We commit. We innovate. We partner. We perform." surrounded by segments:
- Trust and respect others
- Be passionate about profit
- Focus on the customer
- Drive value through innovation
- Be ambitious and manage risks
- Strive for excellence
- Team up for best results
- Foster your talents

These descriptions of conduct play a significant role in the global Steps To Employees' Personal Success (STEPS) process. At the beginning of each fiscal year, employees and managers agree on targets and behavioral criteria within the STEPS framework. The process concludes at the end of the fiscal year with a feedback and appraisal interview. Feedback from teams to their managers is just as important as feedback from managers to their staff. Therefore, in addition to the STEPS dialogs, we have also established the format of Leadership Dialog, which is carried out every two years for all our managers, starting from the Director level, who have direct responsibility for five or more employees.

We support our managers in the successful implementation of the Leadership Principles and in their management tasks with numerous learning and development opportunities at the various leadership levels. We work on specific examples at face-to-face training events and in eLearning sessions (web-based training). Mentoring programs and learning-in-tandem also promote networking and achieve learning results that can quickly be put into practice. The Infineon Leadership Excellence Program provides a training framework to support managers in their leadership role and with management responsibility. In addition to this program, we also offer training on a range of topics required for specific target groups, such as the New Leader Orientation Program – an in-house workshop for new managers. In addition, Infineon provides its top management with the Infineon General Management Program (IGMP). In this training program, in collaboration with INSEAD Business School, we inform our managers about relevant trends and topics, including strategy, innovation, leadership and finance.

In addition, we offer management training for our technical experts and project managers. In the 2023 calendar year, we also incorporated a new management entry training program called "Leading Basics" into our portfolio. Currently, Infineon offers over eleven global management training programs.

Promoting talent

At Infineon, development opportunities are available to employees, depending on their individual knowledge and talents, in a variety of careers based on Infineon's needs. Four career paths have been established: the Individual Contributor path for professional careers, the Technical Ladder for technical experts, the Project Management career, and the Management career track.

Training programs specific to the target group exist for all four career paths. These promote the development of relevant leadership skills.

As an international company, we want to offer our staff professional development opportunities that go beyond organizational and national boundaries. The summits, at which managers discuss specific talent development options with the HR team, are an important instrument in this endeavor.

Health management

The commitment, performance and, fundamentally, the health of our employees make vital contributions to our success. The task of our health management is to maintain and improve the health of our employees. Our global management system IMPRES ensures the high quality of the services and measures we offer.

Infineon's employees worldwide are offered regular workplace health promotion programs covering areas such as mental health, exercise and healthy management behavior. Our health management team works closely together with occupational health and social counseling services at our various sites, helping to provide a healthy range of foods and an effective health program. "Healthy Leadership" training measures are one example of this in Germany.
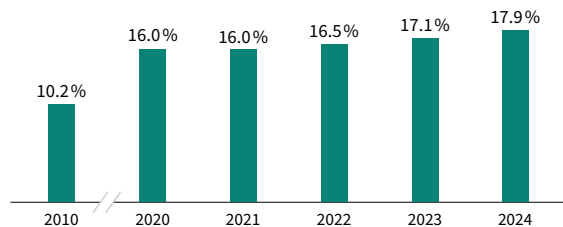
Encouraging diversity

The diversity of our employees and the promotion of an open and supportive work atmosphere are particularly important to us. We live in a culture that appreciates the individuality of each and every person. Therefore, we are committed to providing a working environment in which everyone can make their contribution, free of prejudice and able to benefit from equal opportunities – irrespective of their ethnic origin, skin color, nationality, faith, ideology, gender, age, disability, family situation, social background, trade union or political affiliation, appearance, or sexual identity or orientation.

This, in turn, provides an appropriate framework for our activities, enabling our Diversity & Inclusion managers and local HR managers to support the needs of our employees effectively on the ground. We firmly reject any form of discrimination, sexual harassment, physical violence, coercion or verbal abuse.

The promotion of women to management positions is one of the key focus areas of our Diversity & Inclusion activities. At the end of the 2024 fiscal year, the percentage of women in middle and senior management positions was 17.9 percent. CHART 08
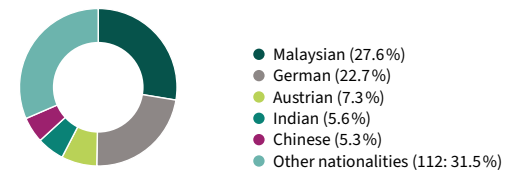
We continue to pursue our long-term goal of increasing the proportion of women in management positions to 20 percent by 2030. This long-term goal is also reflected in the remuneration system for the Management Board laid down by the Supervisory Board.

In compliance with the German Law on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector, Infineon Technologies AG and Infineon Technologies Dresden Verwaltungs GmbH set themselves targets for the percentage of women in the first two leadership levels below the Management Board / Board of Directors. These targets were redefined in the 2022 fiscal year and apply until 30 June 2027, or, in the case of Infineon Technologies Dresden Verwaltungs GmbH, until 30 June 2025. The results and details on the targets can be found in our Statement on Corporate Governance on the Infineon website. ⌨ www.infineon.com/ declaration-on-corporate-governance

Infineon employs 58,065 people of different nationalities. The five most prevalent nationalities represent a total of 68.5 percent of the workforce, with Malaysian nationals accounting for 27.6 percent and German nationals for 22.7 percent. CHART 09

CHART 08 **Women in management positions**

Year	%
2010	10.2%
2020	16.0%
2021	16.0%
2022	16.5%
2023	17.1%
2024	17.9%

CHART 09 **Employees by nationality**

- Malaysian (27.6%)
- German (22.7%)
- Austrian (7.3%)
- Indian (5.6%)
- Chinese (5.3%)
- Other nationalities (112: 31.5%)

Employees by management class and age structure

	Employees total	Under 30 years[1]	30 to 50 years[1]	Over 50 years[1]
Middle and senior level management[2,3]	11,605	0.2	57.1	42.7
Entry level management[2]	13,106	5.0	79.7	15.3
Non-management staff	33,354	34.4	52.6	13.0
Total	**58,065**	**20.9**	**59.6**	**19.5**

1 Figures expressed in percent based on the workforce as of 30 September 2024, in the respective comparison group.
2 At Infineon, the management function includes not only the leadership of employees but also leadership through specialist expertise as well as project management functions as defined in the internal job evaluation system.
3 Including the Management Board.

Gender distribution and age structure: Out of 20,491 female employees, 26.2 percent are under 30 years old, 60.0 percent are in the middle age group and 13.8 percent are over 50 years old. Out of 37,574 male employees, 18.0 percent are under 30, 59.5 percent are in the middle age group, and 22.6 percent are over 50 years old.

Employees by management class and gender[1]

	Employees total	Female[2]	Male[2]
Middle and senior level management[3,4]	11,605	17.9	82.1
Entry level management[3]	13,106	31.7	68.3
Non-management staff	33,354	42.8	57.2
Total	**58,065**	**35.3**	**64.7**

1 In the 2024 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".
2 Figures expressed in percent based on the workforce as of 30 September 2024, in the respective comparison group.
3 At Infineon, the management function includes not only the leadership of employees but also leadership through specialist expertise as well as project management functions as defined in the internal job evaluation system.
4 Including the Management Board.

Qualifications and training

We see ourselves as enablers paving the way for outstanding performance. The continuing education of our staff is therefore important to us. We support our staff in developing their individual skills as much as possible and in applying those skills to the success of Infineon.

In the 2024 fiscal year, our staff participated in a total of 881,078 hours of training, based on the estimated duration of each training session. A total of 33.2 percent of training hours were provided to female employees and 66.8 percent to male employees. Production training hours accounted for most of the hours utilized, at 56.0 percent.

Training hours[1] per employee and functional area

	Per employee
Production	12.9
Research and development	19.0
Sales and marketing	18.8
General administration	16.7
Total	**14.9**

1 Calculated on the basis of the monthly workforce in the 2024 fiscal year.

Training hours[1] by management class and gender[2]

	Per employee	Female	Male
Middle and senior level management[3,4]	16.9	20.9	16.0
Entry level management[3]	21.8	24.3	20.7
Non-management staff	11.6	10.2	12.7
Total	**14.9**	**13.9**	**15.4**

1 Calculated on the basis of the monthly workforce in the 2024 fiscal year.
2 In the 2024 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".
3 At Infineon, the management function includes not only the leadership of employees but also leadership through specialist expertise as well as project management functions as defined in the internal job evaluation system.
4 Including the Management Board.

Our range of functional training is made available primarily via the global functional academies (operating in specific segments and fields). Together with other internal trainers, these academies work together to provide coordinated learning that builds professional expertise. For example, there are academies in the fields of procurement, finance, manufacturing, IT, quality management and the supply chain. With the online training platform LinkedIn Learning, Infineon offers another modern learning channel for its employees. By the end of the 2024 fiscal year, 39,510 Infineon employees had activated their LinkedIn Learning license. This number includes shop floor employees without company devices. In total, 90,563 study hours have been completed.

Where it makes sense, Infineon has moved towards blended learning formats for its training. This means that, in these cases, we provide training for our employees and managers in a combination of virtual and classroom-based formats. In addition, we are fostering the use of LinkedIn Learning. The decrease in training costs is explained on the one hand by the general economic situation and the more conservative approach adopted as a result to booking external training sessions that incur a fee. On the other hand, the global personnel development department has expanded its range of free in-house learning opportunities. These include training sessions on "Remote leadership," "Conducting effective employee appraisals" and "Target-setting" that are conducted by in-house trainers. CHART **10**

Fringe benefits
Fringe benefits are a longstanding tradition at Infineon and are offered in various forms. All benefits form an integral part of the overall remuneration system and reflect Infineon's responsibility to its staff. The scale and nature of the benefits are determined in accordance with the relevant regional statutory and standard market requirements. No distinction is made in this respect between full-time and part-time staff.

Infineon offers a wide range of country-specific benefit packages, including career and development opportunities, flexible working arrangements, health and welfare promotion programs, and support in achieving a balance between work and family life. Monetary benefits also play an important role. Benefits relating to pensions, risk protection and medical insurance enable us to make a significant contribution to the financial security of our workforce. In addition, we support sustainable mobility for our employees with company cars, subsidized public transport, company bicycles or shuttle services. To ensure that the benefits we provide are continually updated to meet future needs, we conduct regular reviews of what we offer our employees, using both internal data and the results of external surveys.

CHART **10** **Training expenses**

€ in millions

Year	€ in millions
2020	7.7
2021	7.4
2022	17.5
2023	21.3
2024	16.7

Compensation

Infineon wants to attract and retain the best available talent and, for this reason, attractive, market-oriented remuneration and appropriate participation in the company's success are a matter of course. We pay our staff based on work-related criteria, such as job requirements and performance, and in line with local market requirements. Gender differences have no impact on our human resources decisions. This is reflected in our low gender pay gap, which was less than one percent in the 2024 fiscal year. Each employee receives appropriate, transparent remuneration for their work in compliance with all legal standards.

Number of employees

Infineon is active on a worldwide basis. About half the 58,065 employees (previous year: 57,904) worked in Asia-Pacific, Greater China and Japan (28,212 employees). A total of 43.0 percent of all employees were employed in Europe (24,989); the majority of these were employed in Germany (15,294).

Employees by region and gender[1]

	2024			2023		
	Total	Female	Male	Total	Female	Male
Europe	24,989	6,912	18,077	24,043	6,546	17,497
Therein: Germany	15,294	4,228	11,066	14,813	4,040	10,773
Americas	4,864	1,465	3,399	5,213	1,679	3,534
Therein: USA	3,671	872	2,799	3,721	896	2,825
Asia-Pacific	24,472	10,614	13,858	24,941	10,978	13,963
Greater China	3,045	1,388	1,657	3,029	1,372	1,657
Japan	695	112	583	678	100	578
Total	**58,065**	**20,491**	**37,574**	**57,904**	**20,675**	**37,229**

1 In the 2024 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".

As of 30 September 2024, in the workforce as a whole, 1,709 female employees and 2,321 male employees had fixed-term contracts, and 18,782 female employees and 35,253 male employees had permanent contracts. A total of 2,811 employees were working part-time as of that date. Employees who, for example, are on parental leave or in the non-working phase of early retirement part-time working arrangements are not active employees and therefore not included in the tables on this page.

Temporary agency staff are also excluded. As of 30 September 2024, 2,049 temporary employees were working for Infineon worldwide. Of these, 54.2 percent worked in production, giving Infineon the flexibility in its manufacturing to deal with fluctuations in capacity utilization.

As of 30 September 2024, Infineon also employed a total of 954 apprentices and students in work-study programs, 147 interns and 2,106 working students. A total of 449 new apprentices and students in work-study programs were hired in the 2024 fiscal year.

Employees[1] by contract type

		2024			2023		
		Total	Full-time	Part-time	Total	Full-time	Part-time
Employees on permanent contracts	Male	35,253	33,931	1,322	34,798	33,637	1,161
	Female	18,782	17,312	1,470	18,801	17,465	1,336
Employees on fixed-term contracts	Male	2,321	2,314	7	2,431	2,420	11
	Female	1,709	1,697	12	1,874	1,849	25
Total		**58,065**	**55,254**	**2,811**	**57,904**	**55,371**	**2,533**

1 In the 2024 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".

New hiring and fluctuation rates

Fluctuation rates and the number of new hires are important indicators for us in our efforts to satisfy our demand for high performance and to achieve excellence in management. In the 2024 fiscal year, there were 3,979 new hires worldwide, of which 1,436 were female and 2,543 male. CHART 11

A total of 1,875 employees were under the age of 30, 1,901 employees were in the age group of 30 to 50, and 203 employees were over the age of 50.

Worldwide, there were 3,574 staff departures from Infineon in the 2024 fiscal year. Of these, the majority (1,575 employees) were in the Asia-Pacific region, where most new recruitment also occurred (1,524 employees).

Rates of new hires and terminations by region

	Total	Europe	Therein: Germany	Asia-Pacific	Greater China	Japan	America	Therein: USA
Newly hired employees	3,979	1,854	970	1,524	215	54	332	270
Rate of newly hired employees[1]	6.9	7.4	6.3	6.2	7.1	7.8	6.8	7.4
Staff departures	3,574	954	530	1,575	200	27	818	371
Rate of staff departures[2]	6.0	3.9	3.5	6.2	6.6	3.9	15.7	10.0

1 Figures expressed in percent based on the workforce as of 30 September 2024 in the respective region.
2 Figures in percent, calculated on the basis of the monthly workforce in the 2024 fiscal year.

CHART 11 **Female/male[1] employees new entries**

- Male (63.9%)
- Female (36.1%)

1 In the 2024 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".
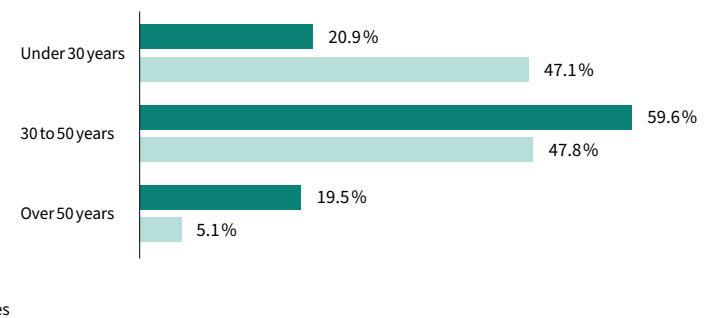
Of the departures, 1,433 were women and 2,141 men. A total of 1,194 employees were in the under 30 age group, 1,660 in the middle age group (30 to 50 years) and 720 in the over 50 age group. The worldwide employee fluctuation rate during the 2024 fiscal year was 6.0 percent (previous year: 6.8 percent).

Age structure and length of service

Demographic change also impacts the age structure at Infineon. In order to counteract the effects of demographic change at the individual sites, we take appropriate steps in the areas of work organization, qualification and knowledge transfer, talent management, health management as well as corporate and management culture, depending on local need. The average age of employees worldwide in the 2024 fiscal year was 39.7 years (previous year: 39.3 years). The proportion of employees below 30 years of age fell to 20.9 percent (previous year: 22.2 percent). On the other hand, the proportion of employees in the middle age group increased slightly (2024 fiscal year: 59.6 percent; previous year: 59.2 percent). The proportion of employees over the age of 50 increased from 18.6 percent in the 2023 fiscal year to 19.5 percent in the 2024 fiscal year. CHART 12

The average length of service increased slightly to 10.0 years (previous year: 9.6 years).

CHART 12 **Age structure at Infineon**

Under 30 years	20.9% / 47.1%
30 to 50 years	59.6% / 47.8%
Over 50 years	19.5% / 5.1%

- Total
- New entries

Protection of our employees

In the 2024 fiscal year, we invested around 49,692 hours in training and continuing education for our fire protection and occupational safety and health experts worldwide.

Material topics
– Responsible manufacturing
– Labor relations

Ensuring a safe working environment is a very high priority at Infineon. Here we take a preventive approach. Our Occupational Safety and Health Management System has been certified in accordance with ISO 45001. Workplace-related risk assessments carried out worldwide ensure that workplace-related risks that may result in a danger to employees are identified, and the protective measures required are implemented to minimize risks. Risks are evaluated according to the Nohl[1] risk matrix, and measures are subsequently adopted based on the STOP[2] hierarchy. This means that substitution and technical measures take precedence over organizational or personal measures such as personal protective equipment.

Our preventive safety concept is reviewed and developed on a regular basis. Reports are then presented to management, including selected members of the Management Board. Qualified safety experts supervise the implementation of the protective measures. Creating safe and ergonomic workplaces is a matter of course for us.

In addition to work areas in production and other technical areas, office workplaces are analyzed to assess how they could be improved. As part of our preventive approach, we also focus on avoiding ergonomic illnesses. One example of this is the introduction of questionnaires in our audit system to perform a more detailed analysis of the situation at our Melaka site (Malaysia).

In the 2024 fiscal year, work was conducted on several digitalization projects regarding occupational safety. One of these projects involves the introduction of a global software solution to simplify the reporting of data on work-related accidents.

In the area of fire prevention, we carried out regular safety training sessions and evacuation drills.

The recording and evaluation of work-related accident figures in the course of our general data collection process are performed in accordance with GRI Standards requirements on the basis of the standardized Injury Rate and the Lost Day Rate. All work-related accidents that have led to more than one lost day have been taken into account.

1 Nohl: A method devised by Jörg Nohl used to evaluate and assess occupational safety risks.
2 STOP: Substitution, technical protective measures, organizational protective measures, personal protective measures.

There were no fatal work-related accidents at Infineon in the 2024 fiscal year. Our Injury Rate of 0.26 in the 2024 fiscal year is presented in CHART 13. It has fallen when compared with the prior year. Reasons for this include the sale of our backend manufacturing site in Cavite (Philippines) and a general reduction in

work-related accidents. The Lost Day Rate of 3.25 in the 2024 fiscal year also decreased and is illustrated in CHART 14.

Additional information on the Injury Rate and the Lost Day Rate is provided in the explanatory notes. 🖥 www.infineon.com/csr_reporting

CHART 13 **Injury Rate[1]**
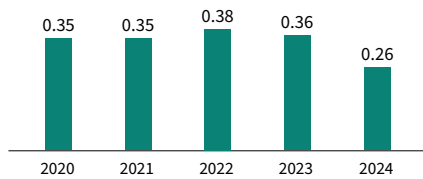
1 The Injury Rate is calculated as follows: total number of injuries/total hours worked x 200,000.
  Vacations and public holidays are included in the working hours.

CHART 14 **Lost Day Rate[1]**
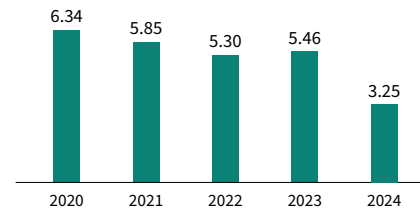
1 The Lost Day Rate is calculated as follows: total number of lost days/total hours worked x 200,000.
  Vacations and public holidays are included in the working hours.

Environmental sustainability and climate protection

Infineon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year. Even before the end of the 2025 fiscal year, Infineon aims to have achieved 70 percent of this target[1].

Material topic
– Responsible manufacturing

Our global management system IMPRES integrates targets and processes relating to environmental sustainability as well as occupational safety and health. IMPRES has been certified worldwide in accordance with environmental management system standard ISO 14001 and in accordance with occupational health and safety standard ISO 45001. Additionally, it has been certified in accordance with the energy management system standard ISO 50001 at our largest European manufacturing sites as well as at our corporate headquarters Campeon (Germany). Changes in legal requirements and potential improvements in performance are continuously evaluated as part of our integrated management system. The main results of the evaluations are reported to management, including selected members of the Management Board, and the appropriate measures are decided on.

Sustainable use of resources at our manufacturing sites

Climate change is a global challenge. The consequences of changing climate conditions threaten regional ecosystems and present major challenges to humans. Climate change can only be tackled if all the players in society plan ahead and act boldly and decisively together. Countries, businesses and private individuals will increasingly need to consider social, ecological and economic aspects when making decisions. Comprehensive climate protection and sustainable action will be essential for success. In this context, another vital task will be dealing with the limited availability of natural resources to preserve our planet for future generations. Increasing resource efficiency offers both ecological and economic potential and is therefore a key pillar in our sustainability strategy.

Carbon neutrality and energy efficiency

Our carbon neutrality goal

Infineon is already making a valuable contribution to climate protection through its products and solutions and its own efficiency measures. We plan to do even more and have set ourselves the goal of becoming carbon-neutral by the end of the 2030 fiscal year in terms of scope 1 and scope 2 emissions. We want to make an active contribution to global CO_2 reduction and to the implementation of the targets set out in the Paris Climate Agreement. By the end of the 2025 fiscal year, Infineon is aiming to reduce its own emissions by 70 percent compared with the 2019 calendar year. In the 2024 fiscal year, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich (Germany) conducted an independent reasonable assurance audit, inter alia, of Infineon's scope 1 and scope 2 CO_2 emissions, in accordance with the relevant assurance standard for sustainability reporting, the International Standard on Assurance Engagements 3000 (Revised).

"Infineon is already one of the most sustainable semiconductor producers," says Infineon's Chief Executive Officer, Jochen Hanebeck. "CO_2 avoidance and resource efficiency in production have been a priority for us for years, as in the setting up of our 300-millimeter thin-wafer technology. With our goal of becoming carbon-neutral, we are strengthening our efforts through electricity from renewable sources and investment in exhaust air abatement that far exceeds the industry standard."

1 In terms of the scope 1 and scope 2 emissions compared with the 2019 calendar year.

In December 2023, Infineon committed itself to setting a science-based target (SBT) in relation to climate, thus extending its climate strategy to include the supply chain. The Science Based Targets initiative (SBTi) is regarded as a benchmark for climate protection measures in the private sector. The initiative provides companies with a clearly defined path towards a reduction in greenhouse gas emissions. Targets are considered science-based if they are in line with the latest findings in climate science and in accordance with the targets set out in the Paris Climate Agreement: to restrict the increase in global warming to well below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.

"Decarbonization is a guiding principle for Infineon. We have made significant progress. Now we are taking the next major step by committing ourselves to setting a science-based target in accordance with the widely recognized global standard on combating climate change," says Elke Reichart, Chief Digital and Sustainability Officer of Infineon, who is responsible for the company's sustainability strategy.

The goal Infineon had set itself of achieving carbon neutrality in 2030 with respect to scope 1 and scope 2 emissions already complies with the requirements of a science-based target. By extending its climate strategy to include scope 3 emissions, Infineon is now working closely with partners in the supply chain and attaches particular importance to continuing to improve the availability and accuracy of data from its supply chain.

To achieve its targets, Infineon focuses, in particular, on avoiding direct emissions and increasing energy efficiency.

CHART 15 **CO$_2$ targets and status**

2019[1] Base year	2024	Target 2025	Target 2030
	−66.3%	−70%	−100%
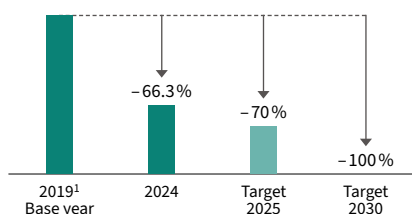
1 Calendar year.

The continuing expansion of its energy efficiency program and its efforts to achieve intelligent exhaust air abatement play a key role here, contributing significantly to a reduction in greenhouse gas emissions. To reduce emissions even further, the company is focusing on purchasing green electricity. To confirm this approach, Infineon joined the corporate initiative RE[1]100 in the 2021 fiscal year. RE100 is a global initiative bringing together many of the world's major businesses committed to 100 percent renewable energy. The group, which is led by the international nonprofit organization Climate Group in partnership with CDP, represents more than 400 companies in a variety of economic sectors. Together, they are sending a strong message to political decision-makers and investors to accelerate the transition to a decarbonized economy.

In the future, and to a lesser extent, it is also planned to offset emissions that cannot be avoided by purchasing CO$_2$ certificates that combine development aid and CO$_2$ avoidance.

Already by the end of the 2024 fiscal year, our scope 1 and scope 2 emissions were 66.3 percent below the emissions of the base year 2019. CHART 15 Factors contributing to this reduction were the expansion of intelligent abatement concepts, the implementation of energy efficiency programs as well as the switch to green electricity in Europe and North America and at our largest sites in Malaysia. Our decarbonization program is thus being implemented successfully.

Efficient energy management
At Infineon, energy is used mainly in the form of electricity. Primary energy sources such as oil and gas play only a minor part.

Within our manufacturing sites, the frontend sites consume most of the energy since the physical conditions for production are particularly demanding there. Thus, for example, an additional amount of energy is needed to establish the highly stable climatic conditions in the cleanrooms. In comparison, the backend sites have lower energy consumption due to the nature of their processes. Research and development sites and office locations have the lowest energy demand.

1 RE: Renewable electricity.

In the 2024 fiscal year, Infineon consumed around 2,676 gigawatt hours of externally procured energy worldwide. Consumption by material energy source is shown in the following table and in CHART **16**.

Energy consumption (direct/indirect)

in gigawatt hours

Direct energy (scope 1)	**253.73**
Firewood	0.64
Natural gas	230.01
Liquid gas	1.01
Petrol	0.00
Petrol (cars)	7.43
Diesel	1.63
Diesel (cars)	12.52
Fuel oil	0.49
Indirect energy (scope 2)	**2,422.15**
Electricity	2,334.27
Own energy photovoltaics	0.37
District heating	86.35
Electricity (cars)	1.16
Total	**2,675.88**

Already in the 2021 fiscal year, Infineon switched to purchasing green electricity for its sites in Europe and, in the 2022 fiscal year, the North American sites followed suit. In the 2023 calendar year, our sites in Kulim (Malaysia) and Melaka (Malaysia) switched to green electricity. This is another milestone for the company, given its aim to switch all its production sites to 100 percent electricity from renewable sources by the 2025 fiscal year. CHART **17** shows the percentage of Infineon's total electricity consumption that relates to green electricity. At the end of the reporting period, this figure was 89 percent.

Infineon is endeavoring to minimize its energy consumption. For years, it has maintained special energy teams at its sites who are responsible for the optimization and continuous evaluation of our energy efficiency. At our production sites in Dresden (Germany), Regensburg (Germany) and Villach (Austria), significant amounts of heat are already being generated from integrated energy recycling via the recovery of exhaust heat, thereby greatly reducing the demand for energy to produce heating power. At our main manufacturing sites, we have implemented the methodology of the energy management system standard ISO 50001 in accordance with local requirements. The ongoing transition to the latest 300-millimeter technology and the promotion of Industry 4.0 are helping to increase efficiency.

CHART **16** **Energy consumption**

rounded, in gigawatt hours

	2020	2021	2022	2023	2024
District heating	63	115	112	93	86
Electricity	1,590	2,029	2,153	2,254	2,335
Natural gas	200	269	281	224	230
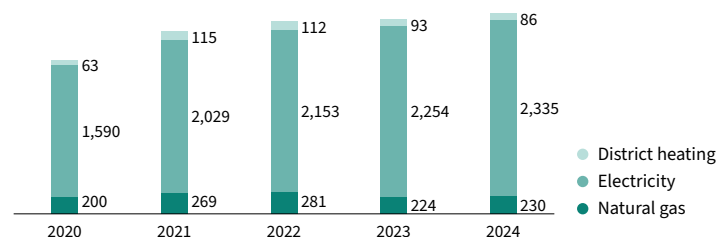
CHART **17** **Green electricity as a percentage of total electricity consumption**

- Wind (renewable) (27%)
- Solar (renewable) (5%)
- Hydropower (renewable) (57%)
- Other sources (11%)
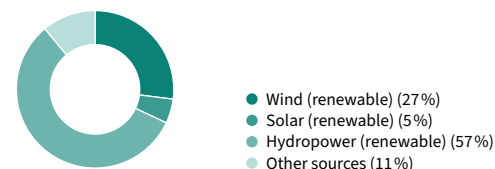
In the 2024 fiscal year, energy consumption per unit of revenue was 0.18 kilowatt hours per euro. Figures from previous fiscal years are also shown in CHART 18 as a comparison.

Greenhouse gas emissions

At an early stage, Infineon started developing strategies to reduce energy consumption as well as the amount of material used to the minimum technically necessary, thereby limiting CO_2 emissions. Greenhouse gas emissions are classified into scope 1, 2 and 3. The classification of direct and indirect emissions into scope 1, 2 and 3 is performed as set out in the Greenhouse Gas (GHG) Protocol. The calculation of CO_2 emissions is based on the ISO 14000 family of standards. These are set out in Publicly Available Specification (PAS) 2050 issued by the British Standards Institution to determine the eco-balance specific to products and in the Principles of the GHG Protocol to prepare an eco-balance (relevance, completeness, consistency, transparency and accuracy).

CHART 18 **Energy consumption per unit of revenue**
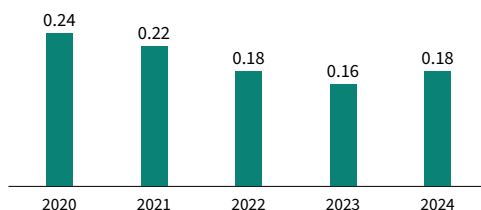
in kilowatt hours per €

2020	2021	2022	2023	2024
0.24	0.22	0.18	0.16	0.18

Scope 1 emissions

The semiconductor industry uses greenhouse gases in wafer-etching processes for structuring wafers as well as for cleaning production equipment. This includes perfluorinated compounds (PFC), namely perfluorinated and polyfluorinated carbon compounds, sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). These greenhouse gases cannot be replaced by another class of substances and account for around 79 percent of scope 1 emissions. The increasing level of product complexity has led to rising demand for these gases. Where possible and appropriate, we counter this trend by continually optimizing our processes through more efficient production methods and through intelligent abatement concepts. The use of alternative gases with higher utilization rates and lower global warming potential also helps minimize the increase in emissions wherever possible. Our voluntary investment in PFC abatement enables us to avoid more than three quarters of our potential direct scope 1 emissions, which corresponds to avoiding around 785,691 tons of CO_2 equivalents per year.

In the 2023 calendar year, the World Semiconductor Council (WSC) set itself a voluntary target of reducing PFC emissions by 85 percent by the 2030 calendar year. The reduction rate is calculated as the difference between potential emissions arising from the production process with no PFC abatement and emissions after the application of PFC abatement systems. Already by the end of the 2024 fiscal year, Infineon has achieved a reduction in potential PFC emissions of more than 83 percent.

Our continuous efforts in the avoidance of PFC emissions can also be seen from the year-by-year comparison of emissions per unit of revenue generated. CHART 19

In addition to our PFC reporting, we calculate emissions for other relevant substances used at our main manufacturing sites on an annual basis. In the 2024 fiscal year, 9 tons of sulfur oxides (SO_X), 146 tons of nitrogen oxides (NO_X), 52 tons of carbon monoxide (CO), 882 tons of volatile organic compounds (VOC), and 30 tons of particulate matter were emitted.

Our scope 1 emissions in the 2024 fiscal year totaled 230,853 tons of CO_2 equivalents.
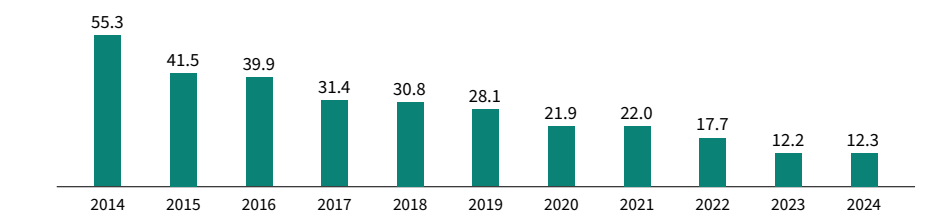
Scope 2 emissions
The Scope 2 Guidance[1] issued by the World Resources Institute stipulates that companies must calculate and disclose two figures for their scope 2 emissions: using market-based accounting to calculate a provider-specific emission factor and using location-based accounting derived from the regional or national grid average.

By applying the provider-specific emission factors of the energy sources used (market-based accounting), our scope 2 emissions totaled 159,235 tons of CO_2 equivalents in the reporting period[2] . This approach was selected in order to illustrate the implementation achieved so far in terms of regenerative energy supply.

We have also performed and will continue to perform regular reviews at our sites to identify potential in our own electricity supply. By way of example, work began in the 2024 fiscal year on the installation of photovoltaic systems at our frontend site in Kulim and our backend site in Melaka (both in Malaysia). At our Warstein site (Germany), electricity has been generated from solar energy since the 2023 calendar year. The potential for our own green electricity production at our sites is limited due to the topology of the buildings and other factors and is in the lower single-digit percentage range with regard to our total electricity consumption.

CHART 19 **PFC emissions per unit of revenue**

in tons of CO_2 equivalents per million €

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
55.3	41.5	39.9	31.4	30.8	28.1	21.9	22.0	17.7	12.2	12.3

1 GHG Protocol Scope 2 Guidance (2015).
2 Based on the regional or national grid average (location-based accounting), our scope 2 emissions are 995,510 tons of CO_2 equivalents.
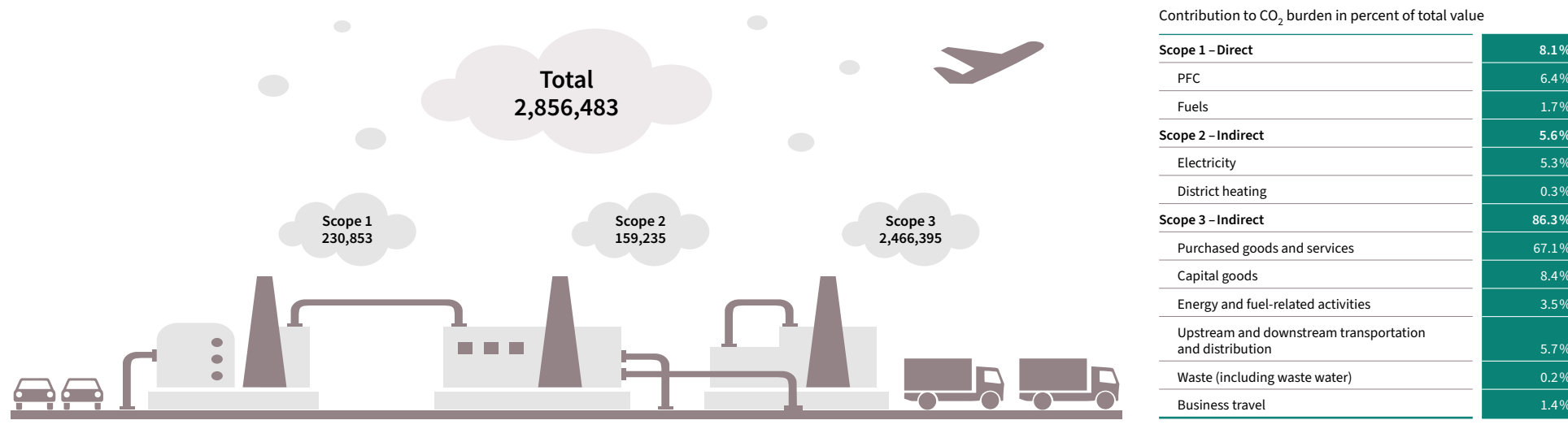
Scope 3 emissions

Scope 3 emissions include, for example, emissions generated for the provision and disposal of all raw materials and supplies as well as other utilities, operational materials and other process media, goods transportation, travel, and energy supply activities (for example, transmission losses) and manufacturing service providers. Scope 3 emissions totaled 2,466,395 tons of CO_2 equivalents.

At 94 percent, supplier-related emissions comprise the largest proportion of scope 3 emissions. Of the supplier-related emissions, around 1.01 million tons of CO_2 equivalents relate to direct suppliers and around 1.31 million tons of CO_2 equivalents to the upstream supply chain. The emissions that have been included in the calculation of the Infineon carbon footprint are presented in CHART 20.[1] The Infineon environmental footprint in the 2024 fiscal year was around 2.9 million tons of CO_2 equivalents.

CHART 20 **CO₂ burden**

in tons of CO_2 equivalents

Total
2,856,483

Scope 1
230,853

Scope 2
159,235

Scope 3
2,466,395

Contribution to CO_2 burden in percent of total value

Scope 1 – Direct	**8.1%**
PFC	6.4%
Fuels	1.7%
Scope 2 – Indirect	**5.6%**
Electricity	5.3%
District heating	0.3%
Scope 3 – Indirect	**86.3%**
Purchased goods and services	67.1%
Capital goods	8.4%
Energy and fuel-related activities	3.5%
Upstream and downstream transportation and distribution	5.7%
Waste (including waste water)	0.2%
Business travel	1.4%

1 Additional information about water supply, waste water and waste is provided in "Water management" and "Waste management" in the chapter "Environmental sustainability and climate protection".

Water management

Infineon's water balance for the 2024 fiscal year is shown in schematic form in CHART 21.
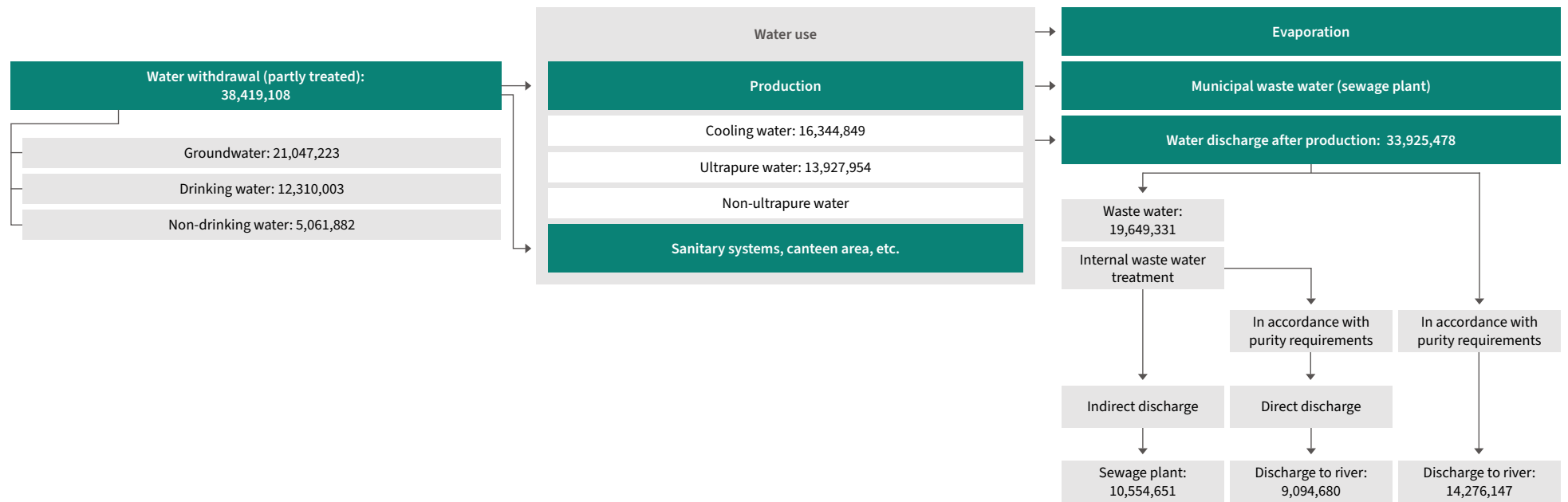
Water is used at our manufacturing sites, for example, to cool equipment or generate ultrapure water. A significant share of our water withdrawal, which is used as cooling water, is returned in at least the same degree of purity. If the water we withdraw does not meet the applicable purity standards, it is subject to further treatment.

Part of the withdrawn water can be recycled and reused after its initial use. During the reporting period, 18,195,139 cubic meters of production water and waste water were recycled and reused. This resulted in a total water recycling rate of 32 percent.

CHART 21 **Water balance**

in cubic meters

Water withdrawal (partly treated): 38,419,108
Groundwater: 21,047,223
Drinking water: 12,310,003
Non-drinking water: 5,061,882

Water use
Production
Cooling water: 16,344,849
Ultrapure water: 13,927,954
Non-ultrapure water
Sanitary systems, canteen area, etc.

Evaporation
Municipal waste water (sewage plant)
Water discharge after production: 33,925,478

Waste water: 19,649,331

Internal waste water treatment

In accordance with purity requirements

In accordance with purity requirements

Indirect discharge

Direct discharge

Sewage plant: 10,554,651

Discharge to river: 9,094,680

Discharge to river: 14,276,147

Infineon withdrew 38,419,108 cubic meters of water during the reporting year. Infineon sources water either from its own groundwater wells or from local providers, who supply both drinking and non-drinking water of lesser quality than drinking water. Our water sources are shown in CHART 22.

After water has exited the production area, it is either directly or indirectly discharged, depending on its level of purity, the technical conditions and official regulations. The percentage of water discharged is shown in CHART 23.

In accordance with the GRI definition, water consumption in the 2024 fiscal year per unit of revenue was around 0.30 liters per euro. CHART 24 also shows the figures for the past few fiscal years for comparison purposes.

Based on the assessment of the potential risks of water stress we conducted using the Aqueduct Water Risk Atlas developed by the World Resources Institute (with reference to Aqueduct 4.0 data in the 2023 fiscal year), we were able to identify areas with a high or extremely high risk of water stress. Three of our sites are located in such areas: Mesa (Arizona, USA), Tijuana (Mexico) and Bangkok (Thailand). One of our sites is also in the vicinity of one of these areas: Wuxi (China). The water withdrawal at these four sites comprises 2.36 percent of our total water withdrawal. These sites use only water provided by local suppliers. To reduce the demand for fresh water, these sites implement effective water recycling measures using reverse osmosis systems. The water discharge after production (for instance, into municipal sewage plants) for these four sites is 1.51 percent of the total water discharge.

We used the same method of assessment to determine potential future scenarios, so that no further sites might find themselves in areas with water scarcity by the end of the 2030 calendar year. Nevertheless, we plan to develop measures within the IMPRES (Infineon Integrated Management Program for Environment, Energy, Safety and Health) framework in accordance with local circumstances, such as consuming water more efficiently by using it multiple times in the process cycle.

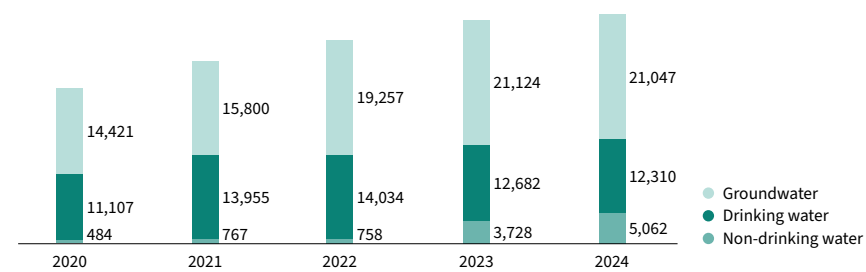**CHART 22 Water withdrawal**
rounded, in thousand cubic meters

	2020	2021	2022	2023	2024
Groundwater	14,421	15,800	19,257	21,124	21,047
Drinking water	11,107	13,955	14,034	12,682	12,310
Non-drinking water	484	767	758	3,728	5,062

- Groundwater
- Drinking water
- Non-drinking water

CHART 23 Water discharges

- Waste water – direct discharge (27%)
- Waste water – indirect discharge (31%)
- Other water discharges, excluding waste water (42%)
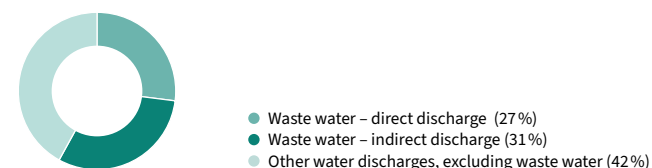
CHART 24 Water consumption per unit of revenue
in liters per €

2020	2021	2022	2023	2024
0.28	0.33	0.31	0.22	0.30
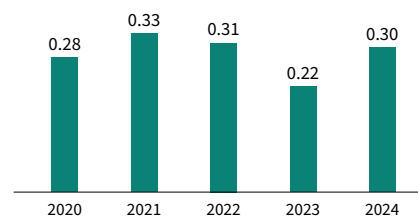
To ensure efficient and sustainable water consumption and continue to develop suitable approaches, we promote the exchange of knowledge between sites. In the 2024 fiscal year, Infineon launched a project based on a global strategy for environmental sustainability. One of its aims is to identify water saving potential at Infineon's production sites by regularly exchanging examples of best practice. In the 2025 fiscal year, we intend to implement projects and measures with an annual recycling potential of 15 million cubic meters of water. In this context, we are planning to make investments in our production sites in Dresden (Germany) and Melaka (Malaysia) to implement measures to significantly increase their water recycling capacity.

In addition, commitment and communication with our stakeholders about sustainable water use are a high priority for us. By participating in CDP Water Disclosure, we also inform our stakeholders about how we handle water and the associated risks and opportunities.
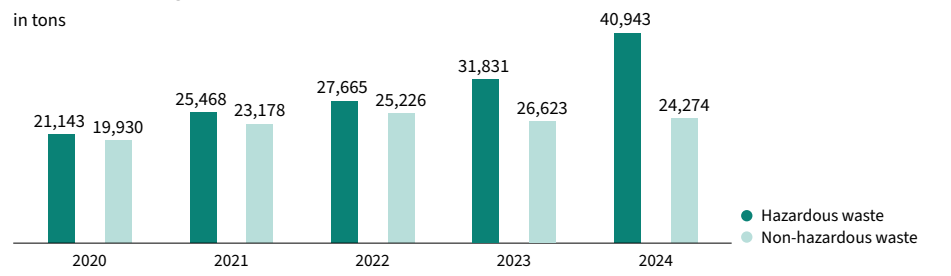
Waste management

Our sustainable waste management focuses, in particular, on avoiding waste and preserving the value of the resources we use by adopting the principles of the circular economy. The manufacturing process for semiconductors requires a large number of chemicals and other production materials. Waste resulting from our own manufacturing facilities is treated externally. It comprises mainly chemicals, sludge and municipal solid waste.

In its manufacturing, Infineon also requires solvents. By working closely together with suppliers, these can be purified and processed after use in such a way that they can be reused in production. In the 2024 fiscal year, for example, 322 tons of the solvent cyclopentanone (CPT) and 578 tons of the solvent propylene glycol methyl ether acetate (PGMEA) were recovered externally and reused in production, giving a recycling rate of 60 percent and 72 percent respectively – an important contribution to the circular economy.

Our sustainable waste management is based on the classification and separation of waste and the use of safe treatment methods in accordance with local legal regulations. In the 2024 fiscal year, the total amount of waste generated was 65,217 tons, with 24,274 tons classified as non-hazardous and 40,943 tons classified as hazardous. CHART 25 In addition, 49,651 tons of the total waste generated was diverted from disposal, and 15,566 tons of the total was directed to disposal.

Besides statutory requirements, it is fluctuating production levels that have the greatest impact on the amount of waste generated and the treatment methods used. Nowadays, there are many technically viable and cost-effective processes for the treatment of waste. Infineon favors waste recycling over waste disposal. Consequently, waste is recycled or even reused rather than disposed of wherever possible.

CHART 25 **Waste generation**

in tons

- Hazardous waste
- Non-hazardous waste

|	2020	2021	2022	2023	2024
Hazardous waste	21,143	25,468	27,665	31,831	40,943
Non-hazardous waste	19,930	23,178	25,226	26,623	24,274

In the 2024 fiscal year, Infineon was able to send 73.20 percent of the non-hazardous waste and 77.87 percent of the hazardous waste for reuse or recycling, resulting in an overall recycling rate of 76.13 percent. The various waste treatment methods can be seen in the tables opposite.

In the 2024 fiscal year, the total waste generated per unit of revenue was 4.36 grams per euro. CHART 26 also shows the figures for the past few fiscal years for comparison purposes.

The data relating to the waste generated by our operations come primarily from invoices provided by the waste management contractors. These data are recorded, collated and monitored in our central electronic database. As part of our IMPRES management system, we perform regular reviews of external waste management contractors to ensure they comply with in-house and legal regulations and are authorized to handle relevant waste categories.

CHART 26 **Waste generation per unit of revenue**

in grams per €

	2020	2021	2022	2023	2024
	5.33	4.40	3.72	3.58	4.36
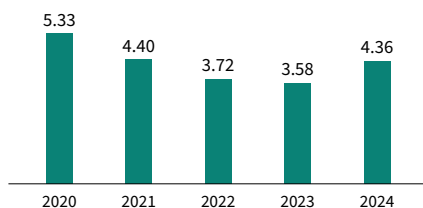
Waste diverted from disposal

in tons

Hazardous waste	
Recycling	30,258
Preparation for reuse	1,626
Total	**31,884**
Non-hazardous waste	
Recycling	17,768
Preparation for reuse	0
Total	**17,768**

Waste directed to disposal

in tons

Hazardous waste	
Incineration with energy recovery	2,664
Incineration without energy recovery	570
Landfill	287
Other disposal operations	5,539
Total	**9,060**
Non-hazardous waste	
Incineration with energy recovery	2,234
Incineration without energy recovery	211
Landfill	3,977
Other disposal operations	84
Total	**6,506**

Contribution through sustainable products

Ecologically positive carbon footprint: During their use phase, Infineon products enable CO_2 emissions savings of around 130 million tons of CO_2 equivalents.

Material topics
– Long-term viability of core business
– Contribution through sustainable products
– Responsible manufacturing

Infineon's climate strategy is based on two pillars. In addition to continuing to reduce its own emissions, Infineon actively contributes to climate protection through its innovative products and solutions. Infineon's products are essential components of the mobility and energy transition. We feel responsible in equal measure for our company and for reducing our footprint. Driving forward digitalization will help optimize our resource efficiency.

The key to greater sustainability and solving climate-related challenges is new technologies that achieve more using fewer resources and save emissions at the same time. "Making more out of less" is the approach Infineon is taking to help develop better solutions for existing problems and play an active role in shaping a worthwhile future.

"To be successful in the long run, business excellence has to go hand in hand with strong environmental and social performance. With its innovative solutions, Infineon helps to make more out of less and thus actively contributes to addressing global challenges like climate change," says Dr. Sven Schneider, Chief Financial Officer of Infineon.

We conduct regular analyses of current trends as part of our definition of new products in order to identify sustainable business models. Further information can be found in "The segments" in the chapter "Business model" in the Annual Report 2024. 🖥 p. 23 ff. of the Annual Report 2024

Semiconductors from Infineon help generate electricity from renewable energy sources. They also offer increased efficiency at all stages of the energy conversion chain: in generation, transmission, storage, and especially in the use of electricity. Semiconductors form the basis for the intelligent and efficient use of energy: in data centers, industrial applications, power supplies for computers and consumer electronics, as well as in electric vehicles.

Products and solutions from Infineon make end products more energy-efficient during their lifetime and thus make an essential contribution to improving the environmental footprint. In industrial applications such as drives or motor control units, for example, products from Infineon reduce power losses, which results in greater operational efficiency. Semiconductors also play a key role in the success of electromobility. In particular, they allow the electricity produced by the battery to be converted as efficiently as possible into motion.

We supply products such as microcontrollers that contribute towards optimizing the energy consumption of vehicles, lowering fuel consumption and CO_2 emissions, and increasing efficiency, thereby reducing environmental pollution. Our power semiconductors also enable the production of energy from renewable sources using wind power turbines and photovoltaic systems. Thus, Infineon is making a significant contribution to decarbonization in the area of energy supply and in end applications.
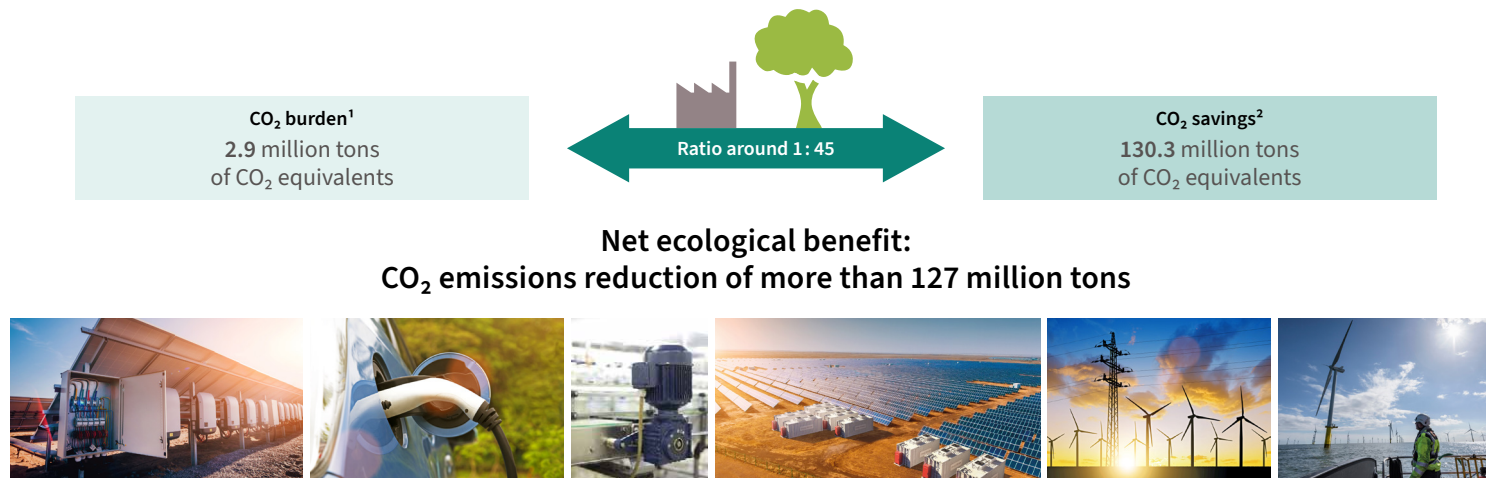
The Infineon carbon footprint

When calculating a carbon footprint, complex processes and a variety of influencing factors need to be considered. Therefore, carbon footprint calculations are subject to certain estimates. We have continued to optimize our approach in order to improve the accuracy of such estimates.

In calculating the Infineon carbon footprint, we have considered the entire manufacturing process in accordance with the GHG Protocol, including all the utilities (raw materials and supplies), as well as internal and external logistics, including final distribution to customers. The results of the Infineon carbon footprint calculation are reported to specifically designated management representatives on a regular basis. In various areas of application (automotive electronics, industrial drives, photovoltaics and wind energy), our products can achieve CO_2 savings during their lifetime of around 130 million tons of CO_2 equivalents. Compared with the European electricity mix, this is around 17.6 percent of the annual net electricity production of the European Union.

Thus, with its products and innovations in combination with efficient production, Infineon achieved an environmental net benefit of more than 127 million tons of CO_2 equivalents. CHART 27

CHART 27 **Infineon carbon footprint**

CO$_2$ burden[1]		CO$_2$ savings[2]
2.9 million tons of CO_2 equivalents	Ratio around 1 : 45	**130.3** million tons of CO_2 equivalents

**Net ecological benefit:
CO_2 emissions reduction of more than 127 million tons**

1 This figure takes into account manufacturing, transportation, own vehicles, travel, supplier-specific emissions, water/waste water, direct emissions, energy consumption, waste etc. as well as direct and indirect energy-related emissions by manufacturing service providers. It is based on data collected internally and publicly available conversion factors and relates to the 2024 fiscal year.

2 This figure is based on internally established criteria, which are described in the explanatory notes. The figure relates to the 2023 calendar year and takes into account the following application areas: automotive electronics, industrial drives, photovoltaics as well as wind energy. CO_2 savings are calculated based on the potential savings generated by technologies in which semiconductors are used. The CO_2 savings are allocated based on Infineon's market share, semiconductor share and the lifetime of the technologies concerned, based on internal and external experts' estimations. Despite the fact that carbon footprint calculations are subject to imprecision due to the complex issues involved, the results are nevertheless clear.

Product Carbon Footprint of individual products

Since June 2024, Infineon has published data on the Product Carbon Footprint (PCF) of its products. The PCF is a calculation of the greenhouse gas emissions generated in manufacturing a product. Typically, it is expressed in kilograms of CO_2 equivalents, enabling a comparison between the climate impact of different products. Infineon calculates the PCF according to the cradle-to-gate approach (from resource extraction to the customer's gate), as it includes scope 1, scope 2 and scope 3 emissions.

As a pioneer in our industry sector, we provide our customers with the PCF of our main product categories. In the future, we intend to supply the data for our entire product portfolio. Currently, we are able to cover around half the portfolio. By providing detailed PCF data, we enable our partners to make informed decisions that help them achieve their sustainability goals and, ultimately, reduce their carbon footprint.

Elke Reichart, Infineon's Chief Digital and Sustainability Officer, says:
"By providing comprehensive PCF data, we are driving the vision of a net-zero society and empowering our customers to reduce carbon emissions even more effectively. Infineon is taking a leading role in carbon transparency by committing to include the entire product portfolio over the coming years. This underlines our ambition to be a leader not only in terms of technology, but also sustainability."

Our product example: Increasing energy efficiency and reducing the carbon footprint of AI data centers

The use of artificial intelligence (AI) in data centers worldwide is resulting in increasing demand for energy as well as for an efficient and reliable power supply to the servers. With the launch of its new 8 kilowatt and 12 kilowatt power supply units (PSUs), Infineon is contributing towards the continuing enhancement of energy efficiency in AI data centers.

With its 12 kilowatt technology, Infineon will soon offer a PSU to achieve this level of output, supplying power to the data centers of the future. A particularly high efficiency rate of 97.5 percent minimizes power losses. It is technologically feasible due to the fact that three semiconductor materials (silicon, silicon carbide and gallium nitride) are combined in a single module. These technologies contribute towards the sustainability and reliability of AI servers and data center systems and support efforts to limit the carbon footprint of AI data centers despite the fast-growing demand for energy.

With its power system reliability modeling, Infineon also offers an appropriate solution to the increasing challenges posed by power failures in data center systems and telecommunications infrastructure. The solution consists of an algorithm that runs on a digital power controller and therefore comprises both software and hardware. This is in line with Infineon's general approach to offer customers comprehensive system solutions that include both semiconductor components and the related software tools. Power system reliability modeling is used to monitor the status of the power supply in real time and to estimate its durability. Power system reliability modeling is a crucial step on the way towards ensuring reliable and stable power supplies to data centers.

Compliance with legal and customer-specific requirements
The processes involved in manufacturing semiconductors are complex and require a wide variety of special chemicals and materials. At Infineon, we responsibly manage the handling of hazardous substances to safeguard human health and the environment.

Our products meet all the requirements set out in the European chemicals legislation known as REACH [Regulation (EC) 1907/2006 Registration, Evaluation, Authorisation and Restriction of Chemicals].

The use of certain substances classified by the European legislature as hazardous in end products is regulated by two key European directives: firstly, Directive 2000/53/EC on end-of-life vehicles (ELV Directive) and, secondly, Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive) in conjunction with Delegated Directive 2015/863/EU.

None of Infineon's products fall within the scope of these directives. However, our customers expect our products to meet legal requirements in their applications. Infineon products comply with the substance restrictions in the aforementioned legal regulations and thus meet customer requirements.

Furthermore, we provide our customers with information on the chemical composition of the materials contained in our products.

Infineon constantly works to develop and implement alternatives for certain materials, such as lead. Thus, for example, as part of the DA5 (DA5: Die Attach, five cooperation partners) consortium, we are working to find lead-free alternatives for high melting temperature solders, which are necessary for specific applications because of their properties.

EU Taxonomy

Infineon's products and solutions enable decarbonization and create added value for society.

Material topics
– Long-term viability of core business
– Contribution through sustainable products
– Responsible manufacturing

As part of the European Green Deal, which set a target for the EU to become climate-neutral by 2050, the European Commission resolved in its Sustainable Finance action plan to set up a framework to facilitate sustainable investment, known as the EU Taxonomy. The Taxonomy Regulation (2020/852), to be applied by certain companies as from 1 January 2022, sets out a standardized classification system for environmentally sustainable economic activities. To qualify as environmentally sustainable, an activity must make a substantial contribution to one of the six following environmental objectives:

1. Climate change mitigation	4. Transition to a circular economy
2. Climate change adaption	5. Pollution prevention and control
3. Sustainable use and protection of water and marine resources	6. Protection and restoration of biodiversity and ecosystem

The classification system distinguishes between Taxonomy eligibility and Taxonomy alignment. Taxonomy-eligible activities are, in principle, capable of making a substantial contribution to one of the environmental objectives set out above. Taxonomy-aligned economic activities demonstrably make a substantial contribution to one of the environmental objectives and do no significant harm to any of the other environmental objectives. Proof of Taxonomy alignment must be furnished through a multi-stage review process that involves complying with technical screening criteria as well as with minimum safeguards.

In publications since the 2023 calendar year, it is mandatory to make disclosures of Taxonomy alignment. At the end of the 2023 calendar year, the Delegated Act on environmental objectives 3 to 6, as well as the amendments to the disclosure obligations ("Disclosure Delegated Act") and adjustments to environmental objectives 1 to 2 with respect to the inclusion of additional categories and amendments to the screening criteria, came into force. In principle, companies must report on their Taxonomy eligibility with regard to the newly introduced economic activities with respect to environmental objectives 3 to 6 as from 1 January 2024. The amendments to the Disclosure Delegated Act and the amendments to existing economic activities with respect to environmental objectives 1 and 2 must also be implemented as from 1 January 2024.

We consider the reporting on the Taxonomy as an integral part of our communication. The EU Taxonomy Regulation and the related Delegated Acts contain formulations and terms that are still subject to significant uncertainties with regard to their interpretation and for which clarifications have not yet been published in every case. For this reason, in our view, in its current form, it is not an adequate tool to demonstrate how Infineon creates added value or how our products and solutions can contribute to overcoming societal challenges such as climate change. "Innovation is key and semiconductors are the critical building blocks to drive decarbonization and the digitalization of our world. At Infineon, we are enabling a climate-neutral economy, and we are connecting the real world with the digital world," says Jochen Hanebeck, Chief Executive Officer of Infineon. We have described the contributions made by our products and solutions to climate change mitigation in the chapter "Contribution through sustainable products".

The Infineon approach to classification

To meet the reporting obligation set out in the EU Taxonomy Regulation, a cross-functional project team was established. All Infineon products and solutions were assessed in the classification. First of all, as part of the determination of Taxonomy eligibility, the portfolio was divided into appropriate groups crossing over the segments. Criteria here included the fact that the attribute contained identical or similar characteristics of the products/solutions and was clearly able to be assigned to a particular group based on relevant parameters. The cross-functional project team could then make its assessment of Taxonomy eligibility.

Infineon's business activities can currently be classified as economic activities under the heading "3. Manufacturing". Our products and solutions, due to their many different areas of application, are used, for example, as parts or components in the area of electromobility and in renewable energy and home appliances. An example from our Taxonomy-eligible portfolio is inverters for the conversion of direct current into alternating current in photovoltaic systems. To avoid double counting, the allocation was made to an enabling activity only if a Taxonomy-eligible economic activity had not already been included in another category.

The result of our screening in the 2024 fiscal year was that none of our business activities come under the economic activities with respect to environmental objectives 2 to 6. As a result of the extension of the categories under the heading "3. Manufacturing" in the context of environmental objective 1, we were able to allocate our economic activities to the following categories:

3.1 "Manufacture of renewable energy technologies"
3.5 "Manufacture of energy efficiency equipment for buildings"
3.18 "Manufacture of automotive and mobility components"
3.19 "Manufacture of rail rolling stock constituents"
3.20 "Manufacture, installation and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation"

The assessment of Taxonomy alignment is a three-step process in which a Taxonomy-eligible economic activity is evaluated to establish whether (a) it actually and demonstrably makes a substantial contribution to one of the environmental objectives, (b) it causes no significant harm to the other five environmental objectives, and (c) it meets minimum safeguards. Criteria (a) and (b) are also summarized as technical screening criteria.

(a) How to meet the substantial contribution requirement with respect to one of the six environmental objectives is described and defined in the relevant category or in the corresponding economic activity. For disclosure in the 2024 fiscal year, Taxonomy alignment must be shown for the environmental objectives 1. "Climate change mitigation" and 2. "Climate change adaptation". The assessment of the substantial contribution is, in principle, conducted taking account of Infineon product groups (such as "Components for solar and wind power") and documented accordingly using standardized test steps. Due to a high degree of heterogeneity in Infineon products and solutions and the resulting complex distribution structure, the allocation to the application differs in the various segments. Useful attributes here include, for example, customers or product features that can be clearly assigned (such as voltage range and main function). Product groups that are used in several end applications are allocated where possible to the economic activity based on their intended purpose.

(b) The second step in the technical screening criteria process is to ensure that the economic activity causes no significant harm to the other five environmental objectives.

In Appendix C regarding environmental objective 5 "Pollution prevention and control", the term "use of" leaves room for interpretation of the definition. The lack of clarity regarding the definition may lead to a broad interpretation of the term "use of". Due to the legal uncertainty involved in the interpretation of Appendix C regarding environmental objective 5, the relevant Taxonomy-eligible economic activities for this reporting year have been classified as Taxonomy-non-aligned. This assessment may change in the future when the interpretation has been clarified. Consequently, the assessment as to whether there has been any significant harm to any of the other environmental objectives will not be discussed further here.

(c) Based on the classification described, the assessment as to whether minimum safeguards are met, comprising the topics "Human rights", "Corruption and bribery", "Tax" and "Fair competition", will not be discussed further here. However, detailed information about our efforts in the relevant areas can be found in the chapters "Business ethics", "Human rights", "Our responsibility along the supply chain" and "Our contribution to the UN Global Compact principles" in this report and in the chapter "Corporate Governance" in the Annual Report 2024. p. 14 ff., p. 17 f., p. 48 ff. and p. 62 f. and p. 84 ff. of the Annual Report 2024

When generating the reporting parameters, we concentrated exclusively on revenue-generating Taxonomy-eligible economic activities in Annex I to the EU Commission Delegated Regulation (EU) 2021/2139. In the 2024 fiscal year, the figures relating to our Taxonomy-eligible economic activities were as follows: revenue of €8,767 million (59 percent), capital expenditures of €1,921 million (71 percent), and operating expenditures of €1,287 million (51 percent). p. 45 ff.

Revenue according to the EU Taxonomy is the revenue disclosed in the consolidated statement of profit or loss. To determine the proportion of Taxonomy-eligible revenue, the Taxonomy-eligible revenue is considered in relation to total Group revenue. Additional information on revenue and the analyses of revenue by segment, product group and region is included in the Annual Report 2024 in the "Notes to the Consolidated Statement of Profit or Loss" and in the "Segment reporting" section of the Notes. p. 111 ff. and p. 161 ff. of the Annual Report 2024

Capital expenditures according to the EU Taxonomy comprise additions to intangible assets (especially capitalized development costs), additions to property, plant and equipment, and right-of-use assets in accordance with IFRS 16.

Operating expenditures comprise mainly costs relating to research and development, repairs and maintenance of property, plant and equipment, and short-term leases.

The Taxonomy-eligible proportions of revenue, capital expenditures and operating expenditures were calculated directly from Infineon's financial systems if a connection with a Taxonomy-eligible activity could be established from master data held in the financial systems (such as revenue or significant elements of research and development expenses). If no direct relationship to a Taxonomy-eligible activity was apparent in the financial systems and financial planning processes, the Taxonomy-eligible proportion of the capital expenditures and operating expenditures was calculated using a revenue-based allocation key.

The following tables provide a summary of the relevant parameters Infineon is required to report with respect to the EU Taxonomy for the 2024 fiscal year.

	Proportion of turnover / Total turnover		Proportion of CapEx / Total CapEx		Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0%	59%	0%	71%	0%	51%
Climate change adaption (CCA)	–	–	–	–	–	–
Sustainable use and protection of water and marine resources (WTR)	–	–	–	–	–	–
Transition to a circular economy (CE)	–	–	–	–	–	–
Pollution prevention and control (PPC)	–	–	–	–	–	–
Protection and restoration of biodiversity and ecosystem (BIO)	–	–	–	–	–	–

1 IFRS: International Financial Reporting Standards are international accounting standards that apply to companies and are issued by the International Accounting Standards Board (IASB).

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024 fiscal year

Economic activities (1)	Code (2)	Turnover (3) € million	Proportion of turnover (4) in %	Climate change mitigation (5) Y;N;EL;N/EL	Climate change adaptation (6) Y;N;EL;N/EL	Water (7) Y;N;EL;N/EL	Circular economy (8) Y;N;EL;N/EL	Pollution (9) Y;N;EL;N/EL	Biodiversity (10) Y;N;EL;N/EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity (16) Y/N	Minimum Safeguards (17) Y/N	Proportion of Taxonomy-aligned A.1. or eligible A.2. turnover 2023 (18) in %	Category enabling activity (19) E	Category transitional activity (20) T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0							n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0		
Of which enabling activities										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		E	
Of which transitional activities										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of renewable energy technologies	CCM 3.1	1,356	9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	381	3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3		
Manufacture of other low carbon technologies	CCM 3.6	–	–														44		
Manufacture of automotive and mobility components	CCM 3.18	4,234	28	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of rail rolling stock constituents	CCM 3.19	103	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture, installation and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	2,693	18	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		8,767	59														57		
Turnover of Taxonomy-eligible activities (A.1. + A.2.)		8,767	59														57		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		6,188	41																
TOTAL		14,955	100																

Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; **N:** No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; **EL:** Eligible, Taxonomy-eligible activity for the relevant environmental objective.; **N/EL:** Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Template: Proportion of CapEx[1] from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024 fiscal year

Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned A.1. or eligible A.2. CapEx 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
2024 fiscal year				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")									
		€ million	in %	Y;N;EL;N/EL	Y;N;EL;N/EL	Y;N;EL;N/EL	Y;N;EL;N/EL	Y;N;EL;N/EL	Y;N;EL;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. **Environmentally sustainable activities (Taxonomy-aligned)**										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0							n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0		
Of which enabling activities										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		E	
Of which transitional activities										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
A.2. **Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
Manufacture of renewable energy technologies	CCM 3.1	249	9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	68	3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3		
Manufacture of other low carbon technologies	CCM 3.6	–	–														56		
Manufacture of automotive and mobility components	CCM 3.18	1,041	38	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of rail rolling stock constituents	CCM 3.19	18	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture, installation and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	545	20	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		1,921	71														70		
CapEx of Taxonomy-eligible activities (A.1. + A.2.)		1,921	71														70		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		801	29																
TOTAL		2,722	100																

1 CapEx: Capital expenditures.
Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; **N:** No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; **EL:** Eligible, Taxonomy-eligible activity for the relevant environmental objective.; **N/EL:** Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Template: Proportion of OpEx[1] from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024 fiscal year

	2024 fiscal year				Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned A.1. or eligible A.2. OpEx 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	in %	Y;N;EL; N/EL	Y;N;EL; N/EL	Y;N;EL; N/EL	Y;N;EL; N/EL	Y;N;EL; N/EL	Y;N;EL; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. **Environmentally sustainable activities (Taxonomy-aligned)**										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0							n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0		
Of which enabling activities										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		E	
Of which transitional activities										n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
A.2. **Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
Manufacture of renewable energy technologies	CCM 3.1	165	6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7		
Manufacture of energy efficiency equipment for buildings	CCM 3.5	66	3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2		
Manufacture of other low carbon technologies	CCM 3.6	–	–														42		
Manufacture of automotive and mobility components	CCM 3.18	537	21	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture of rail rolling stock constituents	CCM 3.19	21	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Manufacture, installation and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	498	20	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		1,287	51														51		
OpEx of Taxonomy-eligible activities (A.1. + A.2.)		1,287	51														51		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		1,227	49																
TOTAL		2,514	100																

1 OpEx: Operating expenditures.
Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; **N:** No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; **EL:** Eligible, Taxonomy-eligible activity for the relevant environmental objective.; **N/EL:** Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Our responsibility along the supply chain

Integrated supplier management for us means working together with suppliers in an environmentally and socially responsible way.

Material topics
– Contribution through sustainable products
– Responsible manufacturing

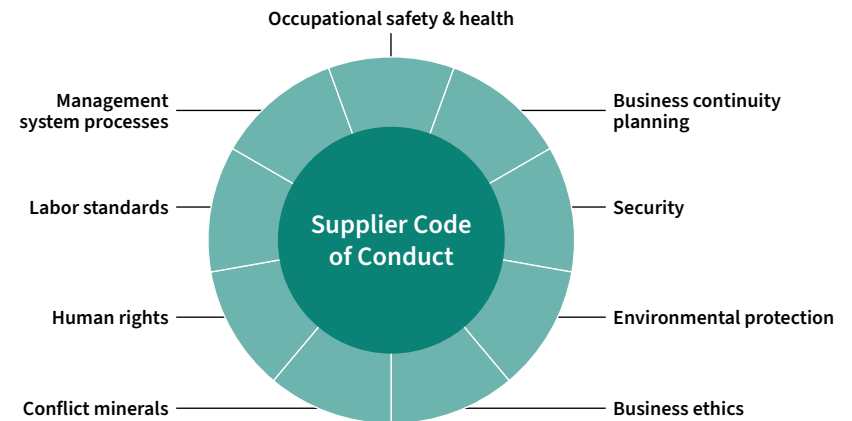## Sustainability as an integral part of supplier management

A long-term partnership between Infineon and its suppliers is a core element of our corporate philosophy. Through integrated management of our supplier relationships, we aim to act in an environmentally and socially responsible way in our own field of operations and beyond.

Our Supplier Code of Conduct is based on internationally recognized guidelines, such as the UN Global Compact principles, the standards of the Responsible Business Alliance (RBA) and the fundamental principles of the International Labour Organization, as well as our Business Conduct Guidelines. Regular updates to our Supplier Code of Conduct ensure that the version of the guidelines is always current. The requirements described in our Supplier Code of Conduct cover the topics shown in CHART **28**. By anchoring sustainability requirements and monitoring measures in the procurement process, we increase the effectiveness of our supplier management, reduce possible risks, create transparency along the supply chain, and initiate improvement processes at suppliers.

We also oblige our main suppliers contractually to uphold our environmental, occupational safety and health as well as CSR commitments. To enter into a business relationship with us, these suppliers are required to commit to our basic principles.

As part of this long-term partnership, we provide our suppliers with a central portal to register and, if necessary, update relevant information.

CHART **28** **Supplier Code of Conduct**

- Occupational safety & health
- Business continuity planning
- Security
- Environmental protection
- Business ethics
- Conflict minerals
- Human rights
- Labor standards
- Management system processes

Supplier Code of Conduct

At the same time, our supplier management portal is also used to evaluate suppliers. When we select new suppliers, evaluate existing ones and make decisions regarding future supplier development, compliance with our requirements is mandatory.

More than 100 new suppliers and new subsidiaries of existing suppliers are therefore categorized every quarter according to their products and services. Depending on this categorization, the supplier receives up to nine questionnaires on various topics in the supplier management portal. The responses received are evaluated by the relevant Infineon specialist departments. The supplier is approved only following a successful evaluation. When necessary, improvement measures are jointly agreed with the supplier.

In addition to the evaluations carried out in the central supplier management portal, a risk-based approach is adopted, inviting suppliers to conduct a sustainability self-assessment via the platform of our partner, IntegrityNext. Thus, it is verified whether the supplier meets our requirements with regard to human rights, governance and environmental protection. Moreover, suppliers can upload current certificates to the portal. We encourage all our suppliers to be certified in accordance with inter-national standards.

More than 390 strategic suppliers, representing over 70 percent of the procurement volume, were re-evaluated in the 2024 fiscal year with regard to the topics mentioned. Based on the results of these evaluations, corrective measures can be taken where necessary.

In addition to the continuous evaluation of new suppliers and the annual re-evaluation of our strategic suppliers, we conduct a risk analysis focusing on human rights, environmental protection and governance. Suppliers who, as a result of their activities in certain countries or industries, could present a high potential risk with regard to environmental protection, human rights or governance are reviewed for compliance with our sustainability requirements via standardized self-assessment. In the 2024 fiscal year, more than 390 suppliers completed the evaluation, a response rate of more than 95 percent. On the basis of self-assessment and additional information, such as the results of on-site audits and reports made to the Infineon Integrity Line, potential for improvement was identified at 59 suppliers. For 100 percent of these suppliers, preventive and corrective measures were defined and agreed. These could be in the form of a medium-term improvement plan we agree with the supplier or in the form of training.

We aim to constantly enhance our risk management system with regard to human rights and environmental protection in the supply chain. Therefore, in the 2024 fiscal year, we launched a scheme to conduct on-site audits in accordance with the "Validated Assessment Program" (VAP) of the Responsible Business Alliance (RBA). This enables us to implement targeted preventive and control measures for the suppliers selected on the basis of risk. In addition to worldwide training on the topic of human rights (see the chapter "Human rights",), courses are provided at least once a year within the procurement organization on the risk management system for human rights and environmental standards in the supply chain. By working together with IntegrityNext and RBA, we also play an active role in industry collabo-ration designed to strengthen international standards in global supply chains.

Environmental sustainability and climate protection in the supply chain

Scope 3 emissions comprise the largest proportion of Infineon's total emissions. Further information on this topic is provided under the heading "Greenhouse gas emissions" in the chapter "Environmental sustainability and climate protection". To reduce our scope 3 emissions and set an appropriate target, we rolled out a program in the 2024 fiscal year to collaborate with the suppliers who have the greatest impact on our scope 3 emissions. This involves working actively together with over 100 suppliers to motivate the suppliers to set their own science-based targets and implement corresponding reduction measures.

We use our Supplier Carbon Scorecard to evaluate the maturity and progress of these particular suppliers on which we are focusing and we support their continuing development through individual discussions and training. Whereas some suppliers are already actively pursuing science-based targets, others became involved for the first time with the Science Based Targets initiative at Infineon's request and confirmed their willingness to work towards a science-based target.

As part of the program, specific training was also provided on the subject of scope 3 emissions and supplier engagement in the procurement organization.

As in previous years, supplier performance in the area of decarbonization was a criterion in the re-evaluation of selected suppliers in the 2024 fiscal year.

Furthermore, we work closely with suppliers on projects relating to the circular economy, including those concerning the recycling of solvents. A successful example of this is the closed loop system we use with our longstanding recycling partner for the solvents cyclopentanone (CPT) and propylene glycol methyl ether acetate (PGMEA). Further information on this subject is provided under the heading "Waste management" in the chapter "Environmental sustainability and climate protection".

We are constantly looking for additional opportunities for improvement relating to the circular economy. In the 2024 fiscal year, our process for the reuse of wafer boxes made of hard plastic was rolled out at our sites in Kulim (Malaysia), Villach (Austria) and Dresden (Germany). The packaging is returned to the suppliers, enabling its reuse for subsequent deliveries, thus saving resources.

Infineon products without DRC[1] conflict minerals

The U.S. Dodd-Frank Act (Dodd-Frank Wall Street Reform and Consumer Protection Act) was adopted in 2010. It contains disclosure and reporting obligations for companies listed on stock exchanges in the USA concerning the utilization of "conflict minerals" that originate from the DRC or its adjoining countries.

The term "DRC conflict minerals" applies to tantalum, tin, gold and tungsten, inasmuch as their extraction and/or trade directly or indirectly finances or benefits armed groups in the DRC or adjoining countries. The use of the materials mentioned is essential for the functionality of our products.

Respect for human rights is a matter of course for Infineon. Avoiding conflict minerals in the supply chain means that we are contributing towards the prevention of human rights abuses. Infineon is not listed on U.S. stock exchanges and therefore not legally required to publish a report on conflict minerals. Nevertheless, as a member of the Responsible Minerals Initiative, we uphold our voluntary commitment to responsibility within the supply chain. At the same time, our comprehensive declaration on the use of conflict minerals supports those of our customers who are required to perform due diligence within their supply chains to fulfill their reporting duties in accordance with the requirements of the U.S. Securities and Exchange Commission (SEC).

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1 DRC: Democratic Republic of the Congo including Conflict-Affected and High-Risk Areas (CAHRAs).

Since Infineon does not source these metals directly from mines or smelters, we identify their origin in close cooperation with our direct suppliers. For this purpose, we have introduced a standardized process throughout the organization based on the OECD[1] Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas in order to create the necessary transparency within our supply chain.

Our targets and requirements for our supply chain are set forth in the Infineon Conflict Minerals Policy and the Supplier Code of Conduct concerning the Responsible Sourcing of Conflict Minerals, which are published on our website. 🖥 www.infineon. com/csr_reporting

In the 2024 fiscal year, Infineon identified potential suppliers of conflict minerals and evaluated them with regard to their use of conflict minerals. Based on the available responses of our suppliers, we can duly state that Infineon products are DRC conflict-free. Moreover, we request that our suppliers continue purchasing only raw materials from smelters that meet the Responsible Minerals Assurance Process requirements or those of an equivalent audit program.[2]

Voluntary cobalt and mica (layered silicates) assessment for Infineon products

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. As a responsible company, Infineon has therefore, as of the 2020 fiscal year, expanded its activities relating to social and environmental responsibility in the supply chain and voluntarily included cobalt in its due diligence program for the responsible procurement of minerals. We also identified relevant suppliers of material containing cobalt in the course of our investigation in the 2024 fiscal year and requested them to report cobalt smelters in their supply chain.

Mica is a name given to a group of minerals known as layered silicates, which are frequently used as insulation in power diodes, semiconductors and rectifiers and can contribute towards insulating semiconductors fully from their packages, dissipating heat and keeping components cool. The mica group represents 37 types of minerals with layered structures (layered silicates) that allow them to be split into thin flakes or sheets. In two major mica-producing countries, India and Madagascar, mica supply chains rely heavily on artisanal and small-scale extraction as well as manual processing. Since the 2022 fiscal year, we have conducted an annual review of our production materials for the use of mica.

To ensure transparency, we make the results of our assessment available to our customers in the form of a combined Cobalt and Mica Declaration (Extended Minerals Reporting Template).

1 OECD: Organisation for Economic Co-operation and Development.
2 Additional information on conflict minerals is provided in the explanatory notes. 🖥 www.infineon.com/csr_reporting

Corporate citizenship

Infineon is currently engaged in corporate citizenship activities in 18 countries.

<u>TARGETS</u>
p. 58 ff.

Material topic
– Corporate citizenship

Infineon and its employees understand corporate citizenship as a voluntary social and societal contribution to the communities in which we operate. Infineon has defined four areas of activity in the field of corporate citizenship: Environmental Sustainability, Education for Future Generations, Local Social Needs, and Responding to Natural and Humanitarian Disasters.

These focus areas of engagement are contained in our Corporate Citizenship and Sponsoring Rule. This Rule ensures that our corporate citizenship activities are performed transparently and in line with our ethical principles. We have also appointed a citizenship representative for this topic at all our major sites. The request and approval process in the area of corporate citizenship is also defined in the Corporate Citizenship and Sponsoring Rule, which is binding worldwide. This Rule describes the opportunities for involvement and determines the role of specialist departments and the Management Board as part of the request and approval process.

Infineon supported 276 activities worldwide in the 2024 fiscal year. A total of 13 percent of the donations were local investments in the communities with which we interact, and 87 percent were donations to charitable purposes.

Our corporate citizenship expenditures in the 2024 fiscal year is illustrated in <u>CHART</u> **29**.

<u>CHART</u> **29** **Corporate citizenship expenditures 2024**
in €

Monetary donations	Sponsoring	In-kind giving	Employee volunteering	Total
2,504,895	1,227,013	81,586	29,036	**3,842,530**
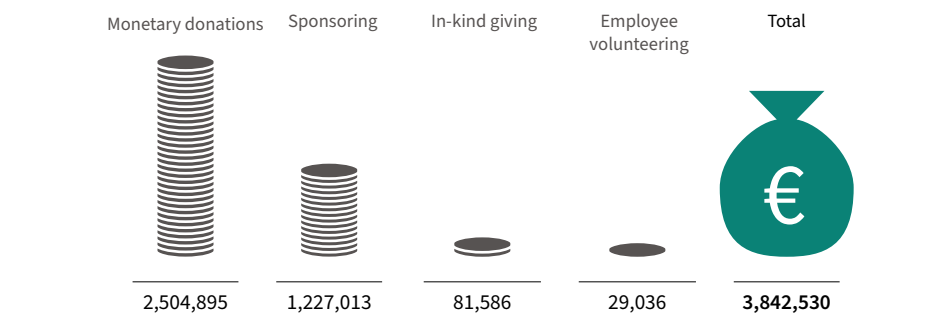
Examples of Infineon's corporate citizenship activities in the 2024 fiscal year

Environmental Sustainability

– Support for planting trees to promote reforestation and the restoration of habitats (Romania)

– Donation to GemüseAckerdemie to support the creation of a community vegetable garden (Germany)

– Support for the planting of native species of trees to promote renaturation (Portugal)

– Support for cleaning the coast to combat plastic pollution (Ireland)

Education for Future Generations

– Support for a "Girls in STEM[1]" workshop in the Penang Science Cluster to promote girls' interest in mathematics, IT, science and technology (Malaysia)

– Support for the Inclusive Engineering Foundation to increase diversity in engineering (USA)

– Support for the Institute of Physics at the University of Münster to promote the Infineon Doctoral Candidate Award (Germany)

– Support for "STEM Girl Day" at the University of Texas at Austin to inspire girls to consider careers in STEM subjects (Texas, USA)

Local Social Needs

– Support for the Care and Share Food Bank to combat hunger and food insecurity in Southern Colorado (Colorado, USA)

– Support for the Taiwan Guardians Association to improve the living conditions of vulnerable groups through healthcare solutions (Taiwan)

– Support for the Tábitha Ház children's hospice (Hungary)

– Support for "The Junior League of Austin" and their annual "Coats for Kids" initiative (Texas, USA)

Responding to Natural and Humanitarian Disasters

– Donations to various organizations to support communities affected by the devastating floods in southern Germany (Germany)

– Support for the Maui Food Bank to prepare meals for people affected by the forest fire on the island of Maui (Hawaii, USA)

1 STEM = Science, Technology, Engineering, and Mathematics.

Memberships and partnerships
Infineon is involved in numerous industry associations and standardization organizations, including for example:

Industry associations
– 5G Alliance for Connected Industries and Automation (5G-ACIA)
– 5G Automotive Association (5GAA)
– 6G Smart Networks and Services Industry Association (6G-IA)
– Association for Electrical, Electronic and Information Technologies (VDE)
– Association representing the Smart Security Industry (EUROSMART)
– CAR 2 CAR Communication Consortium (C2C-CC)
– Charter of Trust
– China Semiconductor Industry Association (CSIA)
– European Semiconductor Industry Association (ESIA)
– Federal Association for Information Technology, Telecommunications and New Media (BITKOM)
– Federation of Austrian Industries (IV)
– German Association of the Automotive Industry (VDA)
– German Electro and Digital Industry Association (ZVEI)
– Global Semiconductor Alliance (GSA)
– Groupe Speciale Mobile Association (GSMA)
– Quantum Technology & Application Consortium (QUTAC)
– SEMI (formerly: Semiconductor Equipment and Materials International)
– U.S. Semiconductor Industry Association (SIA)

Standardization organizations
– Automotive Electronics Council (AEC)
– Automotive Industry Action Group (AIAG)
– AUTomotive Open System ARchitecture (AUTOSAR)

– Bluetooth Special Interest Group (Bluetooth SIG)
– Connectivity Standards Alliance (CSA)
– EMVCo
– European Committee for Electrotechnical Standardization (CENELEC)
– European Committee for Standardization (CEN)
– European Telecommunications Standards Institute (ETSI)
– FiRa Consortium
– German Commission for Electrical, Electronic & Information Technologies of DIN and VDE (DKE)
– German Institute for Standardization (DIN)
– Global Standards for the Microelectronics Industry (JEDEC)
– International Electrotechnical Commission (IEC)
– International Organization for Standardization (ISO)
– Mobile Industry Processor Interface Alliance (MIPI)
– Near Field Communication (NFC) Forum
– Open-Radio Access Network (O-RAN)
– Peripheral Component Interconnect Special Interest Group (PCI-SIG)
– Trusted Computing Group (TCG)
– USB Implementers Forum (USB-IF)

Others
– Platform Industry 4.0
– RE100
– Responsible Business Alliance (RBA)
– Responsible Minerals Initiative (RMI)
– United Nations Global Compact

More information about memberships and partnerships can be found on Infineon's website 🖥 www.infineon.com/sustainability

Our sustainability targets

Targets for the 2024 fiscal year	Status	Description
Overall goals		
Set climate protection and diversity goals as part of the compensation system for the Management Board for the 2024 fiscal year.	●	Climate protection and diversity goals were defined as part of the compensation system for the Management Board.
Introduce a new digital platform for non-financial reporting; increase resilience and reduce the manual workload for data transfer by 50 percent.	●	In the 2024 fiscal year, we successfully introduced a new digital platform for non-financial reporting. This solution enabled us to increase the resilience of reporting and reduce the manual workload for data transfer by more than 50 percent.
Business ethics		
Restructure the risk assessment process, linking it with the self-assessment process for Group companies and locations. This should ensure that all significant compliance risks are identified, evaluated and transferred into the annual compliance program.	◑	Detailed compliance risk scenarios in relation to antitrust law and corruption were developed. Questionnaires were completed in all relevant Group companies worldwide. On this basis, net and gross risks were calculated and assessed and the effectiveness of all compliance measures was evaluated. At Group level, central functions were interviewed using these compliance risk scenarios, to ensure a comprehensive compliance risk assessment. For every compliance risk scenario in every relevant Group company, a specific compliance risk level was determined. If compliance risks exceeded the compliance risk target set, specific risk minimization measures were defined and transferred into the annual compliance program.
Human rights		
Conduct a risk analysis of human rights using self-assessments or audits at 100 percent of IMPRES certified sites.	●	In the 2024 fiscal year, a risk analysis was conducted using self-assessments or audits at 100 percent of certified IMPRES sites, selected research and development sites, and selected offices.
Human resources management		
Infineon has set itself the long-term goal of increasing the proportion of women in management positions to 20 percent. With the development of division-specific targets and measures, which are regularly reviewed by the relevant management groups or by the Management Board, this target should be achieved. Another measure is to increase the visibility of talented women within the Group.	◑	The proportion of women in middle and senior management positions at the end of the 2024 fiscal year was 17.9 percent. This was a slight improvement on the prior-year figure of 17.1 percent and a further step towards achieving our long-term target of 20 percent.
Continue to reach the existing global target of 80 percent overall employee satisfaction. The measures we are adopting to achieve this target include continuing to develop leadership skills and ensuring balanced workloads.	●	In the 2024 fiscal year, we achieved this target, with 83 percent of employees giving a positive response to both questions in our engagement pulse check: "How happy are you working at Infineon?" and "Would you recommend Infineon as a great place to work?". This employee survey is conducted twice a year using the Glint People Success Platform.

● Target achieved   ◑ In progress   ○ Target not yet achieved

Targets for the 2024 fiscal year	Status	Description
Human resources management		
At least 90 percent of all our managers (from the Director level with five or more direct employees) will conduct a Leadership Dialog with their employees within two years. The Leadership Dialogs provide managers with structured feedback from their employees. This makes it possible for them to reflect on their own management behavior, recognize their strengths and identify potential improvements. This improves collaboration both with and within the team. The measures for achieving this target include regular monitoring of the completion of Leadership Dialogs and the training of internal or external moderators for the Leadership Dialogs.	◐	In the course of the Leadership Dialogs, managers receive structured feedback from their employees. By the end of the 2024 fiscal year, around 84.1 percent of managers had conducted their Leadership Dialogs.
Protection of our employees		
Introduce a global training campaign on our seven Golden Rules of Safety, with a different focus in each fiscal year.	◐	Due to internal prioritization, the global training campaign has been paused for the time being. This year, local training measures continued to be implemented in accordance with global principles of behavior-based occupational safety.
Environmental sustainability and climate protection		
Carbon neutrality		
Infineon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year in terms of scope 1 and scope 2 emissions as defined by the GHG Protocol. By the end of the 2025 fiscal year, emissions should already have been reduced by 70 percent compared with the 2019[1] calendar year.	◐	By the end of the 2024 fiscal year, our emissions were already 66.3 percent lower than the emissions in the base year 2019. We are therefore meeting the timeline we set for achieving our climate targets.
Energy management		
Implement projects and measures in the 2024 fiscal year to increase energy efficiency, giving total potential annual energy savings of 20 gigawatt hours. One of the ways this target will be achieved is by adopting site-specific measures for infrastructure and manufacturing.	●	In the 2024 fiscal year, we implemented measures that generated energy savings of more than 47 gigawatt hours.
Greenhouse gas emissions		
Implement measures that will generate total emission savings for greenhouse gases of 50,000 tons of CO_2 equivalents by the end of the 2024 fiscal year.[2]	◐	Due to the postponement of the installation of PFC abatement systems at one of our production sites, we did not quite achieve our target of generating total emission savings for greenhouse gases of 50,000 tons of CO_2 equivalents by the end of the 2024 fiscal year. However, this was compensated for by the energy savings described above.

● Target achieved   ◐ In progress   ○ Target not yet achieved

1 In line with our carbon neutrality goal, with the 2019 calendar year as the base year, the relevant data of Cypress are included.
2 Cumulative from the 2021 fiscal year.

Targets for the 2024 fiscal year | Status | Description

Targets for the 2024 fiscal year	Status	Description
Environmental sustainability and climate protection		
Water management		
Implement projects and measures in the 2024 fiscal year with annual recycling potential of 6 million cubic meters of water. This corresponds to the average annual water consumption of over 114,000 inhabitants in Europe. One of the ways this target will be achieved is by adopting site-specific measures for infrastructure and manufacturing.	●	In the 2024 fiscal year, we implemented recycling measures that generated water savings of more than 18 million cubic meters.
Waste management		
Increase the amount of solvent recovered, with the aim of reusing 800 tons of solvents in manufacturing.	●	Solvents amounting to 900 tons were recovered and reused in manufacturing.
Contribution through sustainable products		
Update the calculation of the Infineon carbon footprint; save at least 125 million tons of CO_2 equivalents with our products during their useful life.	●	The Infineon carbon footprint was updated in the 2024 fiscal year and is published in this report. During their use phase, our products enabled CO_2 emission savings of around 130 million tons of CO_2 equivalents.
EU Taxonomy		
Implement automated processes for the evaluation and interpretation of information relating to Taxonomy eligibility.	●	The automated interpretation of the generation of key figures was implemented in the 2024 fiscal year.

● Target achieved   ◑ In progress   ○ Target not yet achieved

Targets for the 2024 fiscal year	Status	Description
Our responsibility along the supply chain		
Evaluate 100 percent of selected suppliers representing at least 70 percent of the procurement volume with regard to our sustainability requirements.	●	In the 2024 fiscal year, an evaluation of 100 percent of more than 390 strategic suppliers, representing over 70 percent of the procurement volume, was conducted with regard to our sustainability requirements.
Promote capacity building initiatives for suppliers to raise awareness of how to address specific human rights issues and mitigate the associated risks in their area of operations.	●	In the 2024 fiscal year, measures were successfully implemented to raise awareness and support the development of suppliers selected on the basis of risk. These include individual training sessions, knowledge sharing, and subject-specific training programs offered by the Academy of the Responsible Business Alliance in which suppliers participated. Moreover, local compliance days were held at selected sites to raise awareness among suppliers of our Supplier Code of Conduct.
Implement a global supplier engagement program to reduce CO_2 emissions in the supply chain (scope 3).	●	To reduce our scope 3 emissions, we rolled out a program in the 2024 fiscal year which involves working together with those suppliers who have the greatest impact on our scope 3 emissions. We work actively with more than 100 suppliers to motivate them to set their own science-based targets and to implement corresponding reduction measures.
Maintain a DRC conflict-free supply chain and conduct another evaluation of the use of conflict minerals for 100 percent of the relevant suppliers.	●	In the 2024 fiscal year, an evaluation was conducted of relevant suppliers of conflict minerals with regard to the origin and use of these minerals. Based on the available responses of our suppliers, we can duly state that Infineon products are DRC conflict-free. The results of the evaluation are made available to our customers in the form of a declaration (Conflict Minerals Reporting Template).
Conduct a due diligence assessment for 100 percent of suppliers of products containing cobalt or mica to create transparency in the supply chain regarding the origin of cobalt and mica and publish the results in the form of a combined cobalt and mica declaration.	●	In the 2024 fiscal year, a due diligence assessment was conducted of relevant suppliers of products containing cobalt with regard to the origin and use of these products. In addition, our supply chain was investigated with regard to the use of mica, and the results are made available to our customers in the form of a combined cobalt and mica declaration (Extended Minerals Reporting Template).
Corporate citizenship		
Enhance and update the platform that is used for the reporting and management of the corporate citizenship program, followed by extensive training of the main users on the new functions.	●	The new platform for the reporting and management of the corporate citizenship program was developed and introduced. Training was provided to all relevant users.

● Target achieved   ◐ In progress   ○ Target not yet achieved

Targets for the 2025 fiscal year

Overall goals	Set climate protection and diversity goals as part of the compensation system for the Management Board for the 2025 fiscal year.

Business ethics	Restructure the risk assessment process, linking it with the self-assessment process for Group companies and locations. This should ensure that all significant compliance risks are identified, evaluated and transferred to the annual compliance program.

Human rights	Introduce three performance indicators for the human rights risk management system to ensure continuous improvement in the effectiveness of the process.

Human resources management	Infineon has set itself the goal of increasing the proportion of women in management positions to 20 percent by the end of the 2030 fiscal year. With the development of division-specific targets and measures, which are regularly reviewed by the relevant management groups or by the Management Board, this target should be achieved. Another measure is to increase the visibility of talented women within the Group.
	Continue to achieve the existing global target of 80 percent overall employee satisfaction. The measures we are adopting to reach this target include continuing to develop leadership skills and ensuring balanced workloads.
	At least 90 percent of all our managers (from Director level with five or more direct employees) will conduct a Leadership Dialog with their employees within two years. Leadership Dialogs provide managers with structured feedback from their employees. This makes it possible for them to reflect on their own management behavior, recognize their strengths and identify potential improvements. This improves collaboration both with and within the team. The measures for achieving this target include regular monitoring of the completion of Leadership Dialogs and the training of internal or external moderators for the Leadership Dialogs.

Protection of our employees	Introduce a new ISO 45001 matrix certification for relevant smaller production and laboratory sites and selected office sites within the next four fiscal years. Then these sites will be fully integrated into the new matrix certification in accordance with our risk assessment.

Targets for the 2025 fiscal year

Environmental sustainability and climate protection	
	Carbon neutrality
	Infineon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year in terms of scope 1 and scope 2 emissions, as defined by the GHG Protocol. By the end of the 2025 fiscal year, emissions should already have been reduced by 70 percent compared with the 2019[1] calendar year.
	Energy management
	Implement projects and measures in the 2025 fiscal year to increase energy efficiency, giving total potential annual energy savings of 20 gigawatt hours. One of the ways this target will be achieved is by adopting site-specific measures for infrastructure and manufacturing.
	Greenhouse gas emissions
	Fully equip the new manufacturing facilities in Kulim (Malaysia) and Dresden (Germany) with PFC abatement systems.
	Water management
	Implement projects and measures in the 2025 fiscal year with an annual recycling potential of 15 million cubic meters of water. This corresponds to the average annual water consumption of over 340,000 inhabitants in Europe. Site-specific measures for infrastructure and manufacturing will support the achievement of this target.
	Waste management
	Implement measures to enable the recovery and further reuse of 700 tons of solvents in manufacturing.

1 In line with our carbon neutrality goal, with the 2019 calendar year as the base year, the relevant data of Cypress are included.

Targets for the 2025 fiscal year

Contribution through sustainable products	Update the calculation of Infineon's carbon footprint; save at least 130 million tons of CO_2 equivalents with our products during their useful life.
EU Taxonomy	Work together with industry associations to clarify legal uncertainties in the interpretation of the EU Taxonomy.

Our responsibility along the supply chain	Conduct a risk analysis and implement preventive and corrective measures for 100 percent of suppliers where risks relating to human rights, the environment and governance have been identified.
	Conduct at least ten audits of suppliers selected using a risk-based approach, focusing on human rights and working conditions.
	Organize a sustainability event for selected suppliers to support the development and implementation of science-based targets (SBTs).
	Maintain a DRC conflict-free supply chain and conduct another evaluation of the use of conflict minerals for the relevant suppliers.
	Conduct a due diligence assessment for relevant suppliers of products containing cobalt or mica to create transparency in the supply chain regarding the origin of cobalt and mica and publish the results in the form of a combined cobalt and mica declaration.

Corporate citizenship	Introduce a system to gather feedback from stakeholders and beneficiaries to continue to enhance the effectiveness of our corporate citizenship activities.