

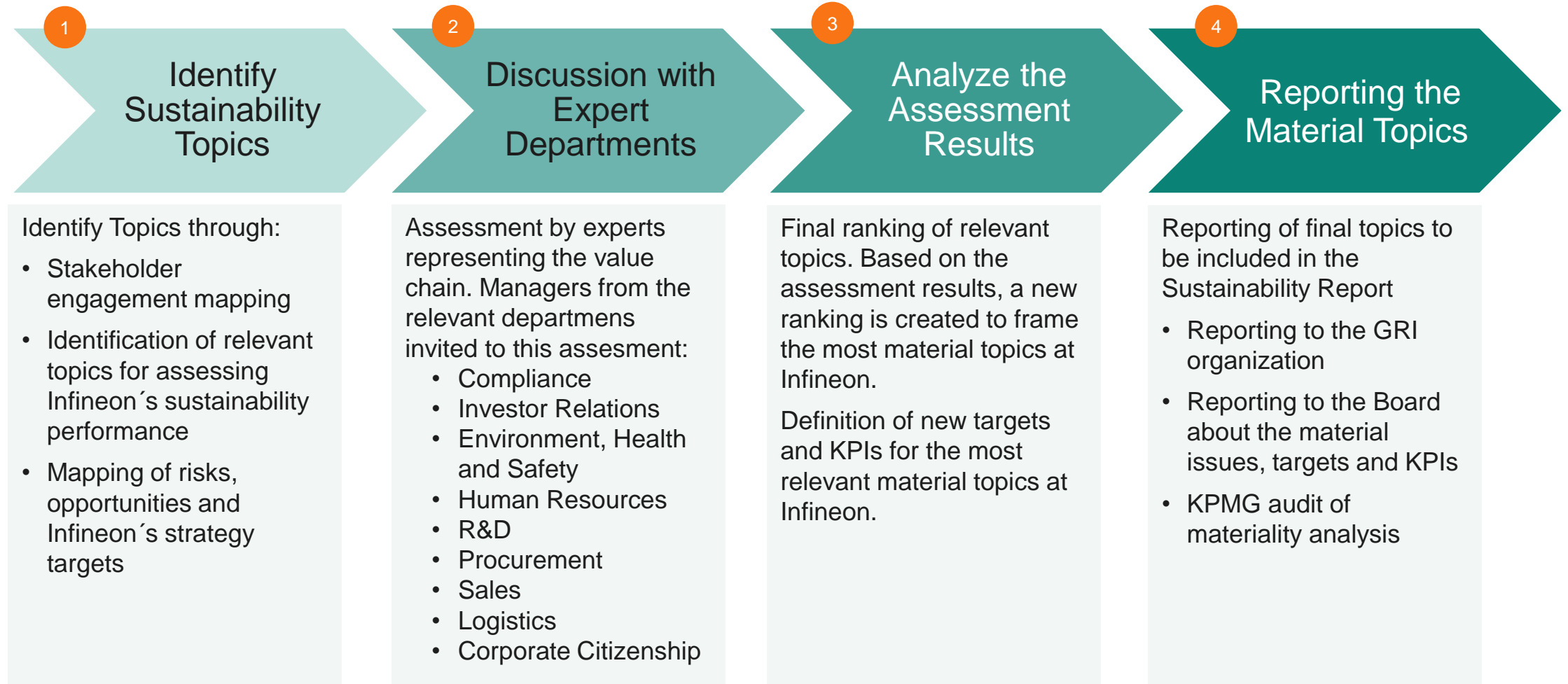


Materiality Disclosure and Target Setting

2024



Materiality Analysis Procedure



Note: The materiality study is conducted every year

1 Identify Sustainability Topics

Stakeholder engagement mapping

- We define stakeholders as individuals or groups who affect, or are affected by Infineon activities.

Infineon CSR concept

Investors

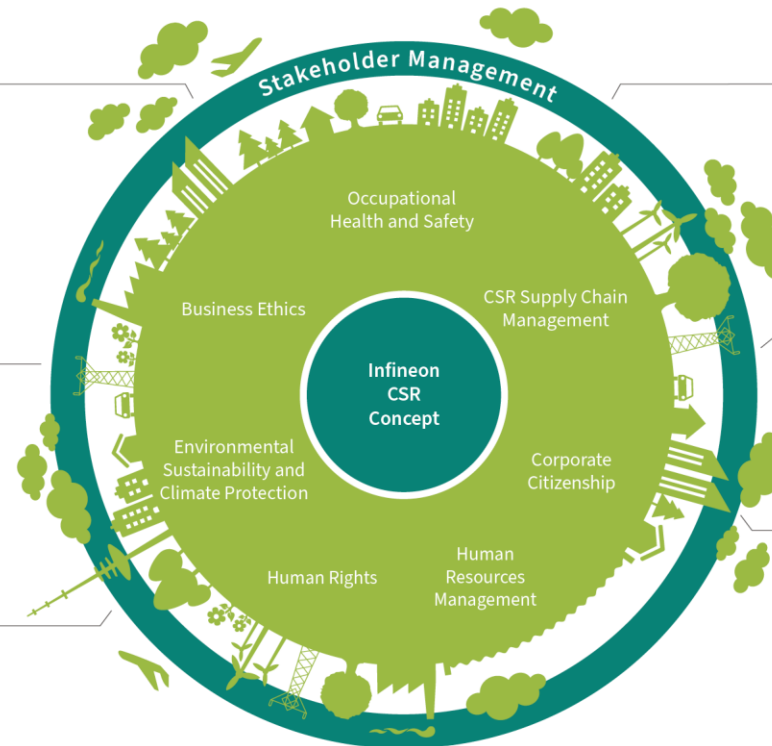
- Annual General Meeting
- Roadshows and conferences
- Quarterly reporting
- Quarterly segments' presentation
- Annual Report
- Yearly financial statement communication
- Sustainability reporting

Customers

- Audits
- Services provided by experts
- Infineon Service Center 24/7
- Product requirements
- Roadshows
- Cooperation arrangements

Social stakeholders

- Participation in surveys and studies
- Corporate citizenship activities
- Conferences and workshops



Politics

- Political dialogs
- Cooperation with industry associations
- Workshops

Employees

- Surveys (e.g. engagement pulse check)
- Quarterly meetings with top management
- Daily internal news
- Compliance hotline 24/7
- Training
- Committees for CSR topics (e.g. Corporate Citizenship Panel)

Suppliers

- Suppliers' assessment
- Supplier Code of Conduct (formerly: Principles of Procurement)
- Compliance website
- Infineon Conflict Minerals Policy and Supplier Code of Conduct concerning the Responsible Sourcing of Conflict Minerals
- Combined cobalt and mica declaration

1 Identify Sustainability Topics

List of relevant topics for assessing Infineon's sustainability performance

- Consideration was given to general as well as sector- and company-specific sustainability standards, legislation and investor ratings appropriate for determining the principal factors relevant for assessing Infineon's sustainability performance.

List of risks, opportunities and Infineon's strategy targets

- The main risks and opportunities and strategic targets identified in Infineon's Annual Report are listed.

2 Discussion with Expert Departments

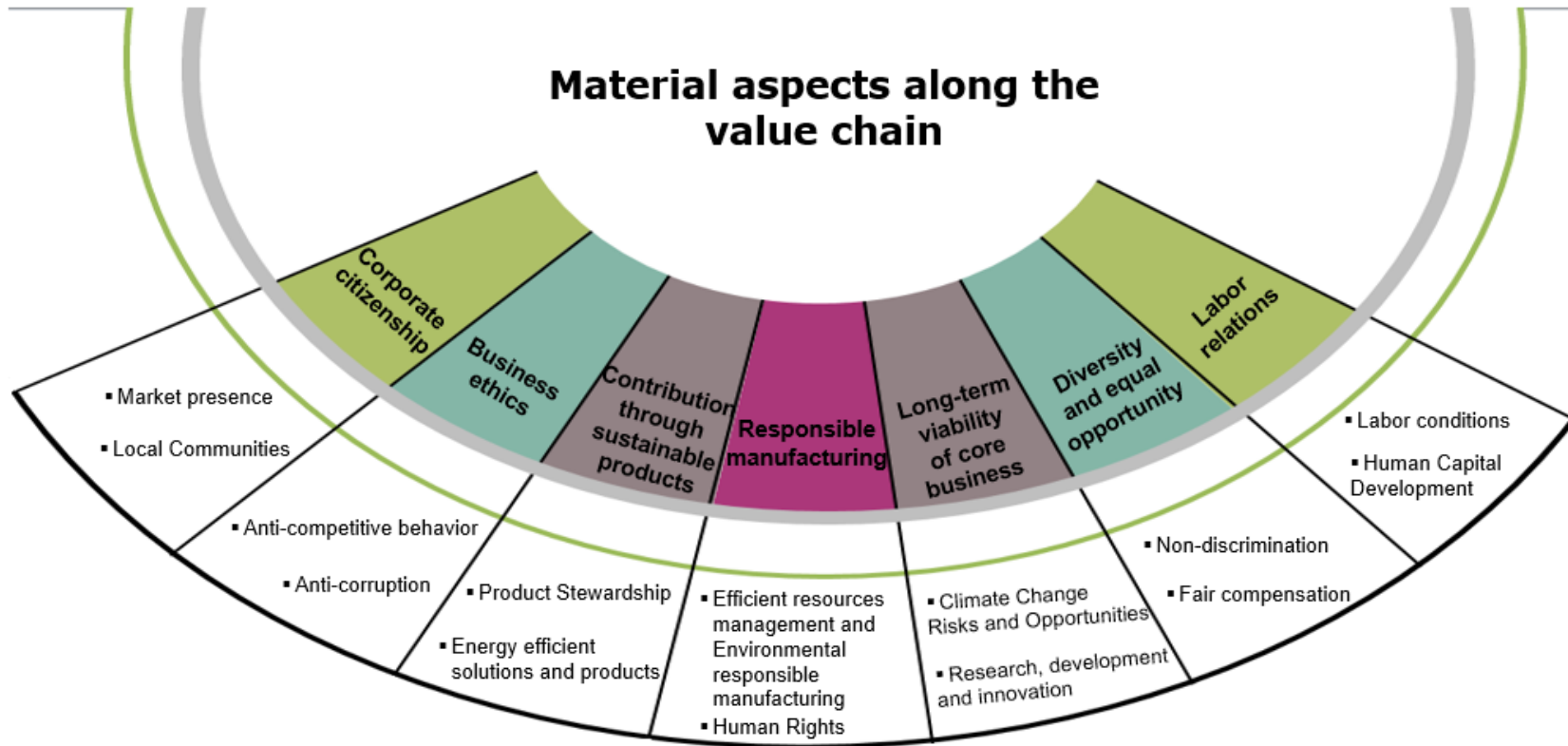
Discussion with Infineon expert departments

- The materiality topics are then assessed internally by our in-house experts representing the entire value chain. Each topic is rated on their potentially related risk or opportunity which could impact the long-term performance of our 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.

3 Analyze the Assessment Results

Final ranking of relevant topics

- Based on the results the most material topics at Infineon are selected. The materiality matrix was determined with these results:



4 Reporting the Material Topics

Definition of final topics for the Sustainability Report

- In accordance with the “GRI Standards” framework on sustainability reporting, the table below shows how Infineon has evaluated impact along the value chain.

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.

4 Reporting the Material Issues

The Board approves the material issues, targets and KPIs.

- The results of the analysis and the material topics are then confirmed by the Infineon Management Board together with the targets and KPIs which are then published in the Sustainability at Infineon Report for each of the following fields:



**Business
Ethics**



**Human
Rights**



**Human
Resources
Management**



**Occupational
Safety and
Health**



**Environmental
Sustainability
and Climate
Protection**



**Sustainable
Supply Chain
Management**



**Corporate
Citizenship**

4 Reporting the Material Issues

The Board approves the material issues, targets and KPIs.

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	<p>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.</p> <hr/> <p>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.</p> <hr/> <p>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.</p>
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.

4 Reporting the Material Issues

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.

4 Reporting the Material Issues

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	<p>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.</p> <hr/> <p>Conduct at least ten audits of suppliers selected using a risk-based approach, focusing on human rights and working conditions.</p> <hr/> <p>Organize a sustainability event for selected suppliers to support the development and implementation of science-based targets (SBTs).</p> <hr/> <p>Maintain a DRC conflict-free supply chain and conduct another evaluation of the use of conflict minerals for the relevant suppliers.</p> <hr/> <p>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.</p>
Corporate citizenship	Introduce a system to gather feedback from stakeholders and beneficiaries to continue to enhance the effectiveness of our corporate citizenship activities.

