

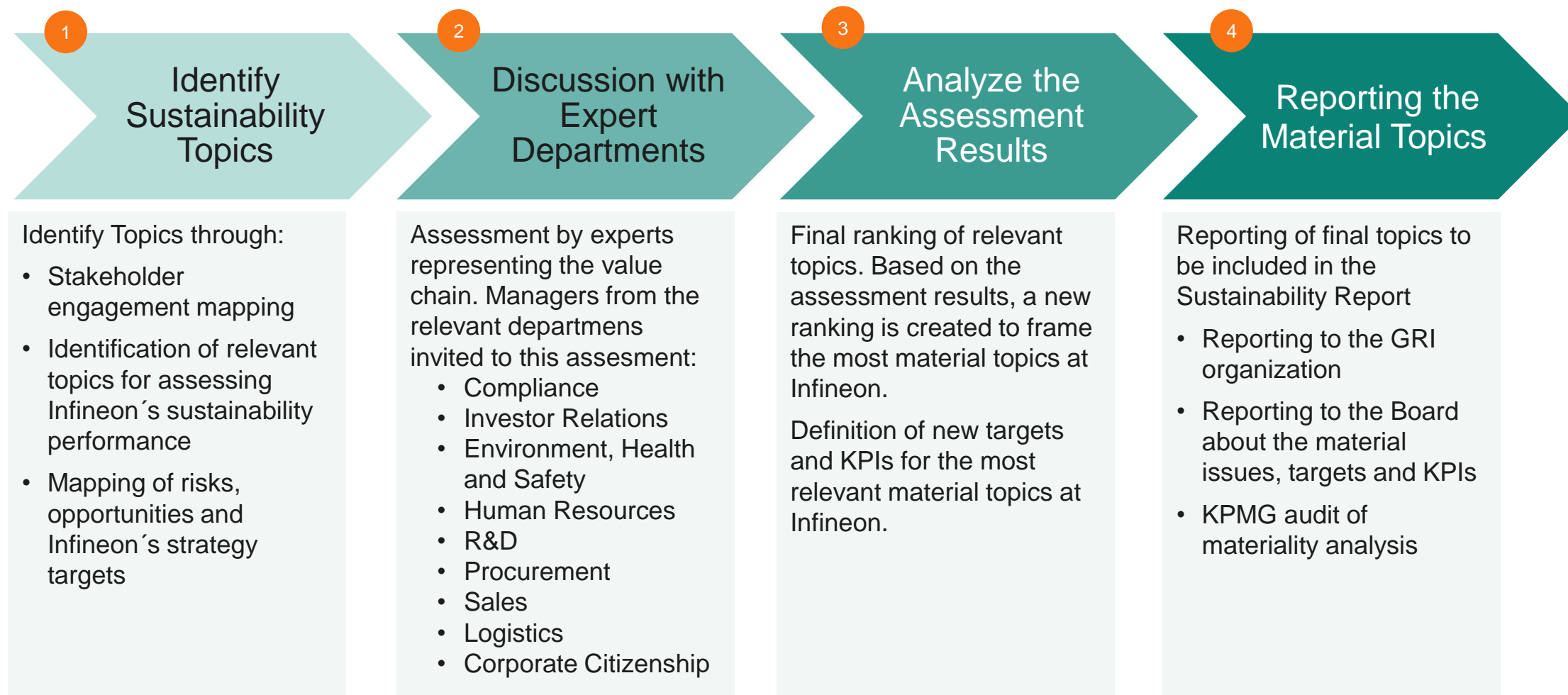


Materiality Disclosure and Target Setting

2023



Materiality Analysis Procedure

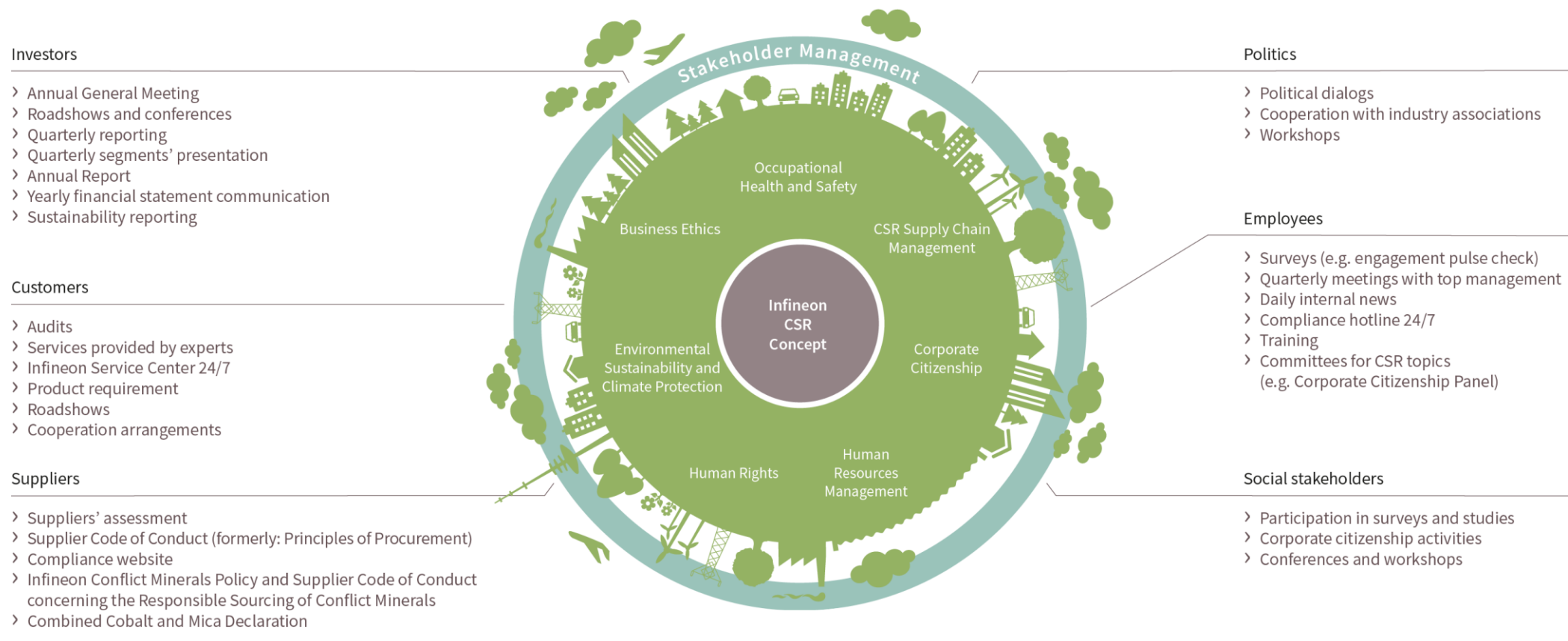


Note: The materiality study is conducted every year

1 Identify Sustainability Topics

Stakeholder engagement mapping

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



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

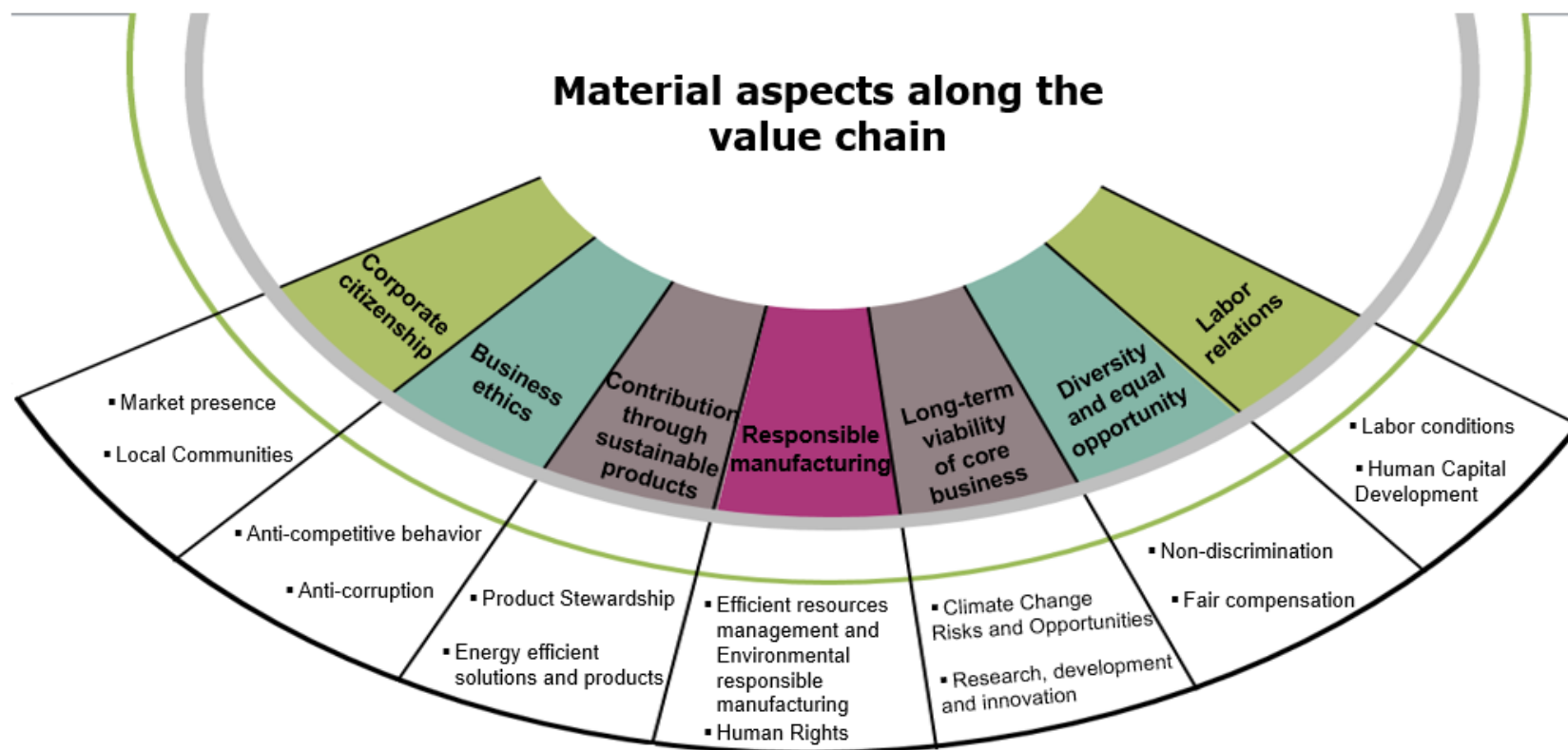
Discussion with Infineon expert departments

- 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	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



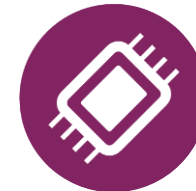
Human
Resources
Management



Protection of our
employees



Environmental
Sustainability
and Climate
Protection



Contribution
Through
Sustainable
Products








Our
responsibility
along the supply
chain



Corporate
Citizenship


4 Reporting the Material Issues

The Board approves the material issues, targets and KPIs.





Targets for the 2024 fiscal year	
 Overall goals	Set climate protection and diversity goals as part of the compensation system for the Management Board for the 2024 fiscal year.
	Introduce a new digital platform for non-financial reporting; increase resilience and reduce the manual workload for data transfer by 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.
 Human rights	Conduct a risk analysis of human rights using self-assessments or audits at 100 percent of IMPRES certified sites.
 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.
	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.
	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.
 Protection of our employees	Introduce a global training campaign on our seven Golden Rules of Safety, with a different focus in each fiscal year.

4 Reporting the Material Issues

Targets for the 2024 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 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.
	Greenhouse gas emissions Implement measures that will generate total emission savings ² for greenhouse gases of 50,000 tons of CO ₂ equivalents by the end of the 2024 fiscal year.
	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.
	Waste management Increase the amount of solvent recovered, with the aim of reusing 800 tons of solvents in manufacturing.

4 Reporting the Material Issues

Targets for the 2024 fiscal year		
	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.
	EU Taxonomy	Implement automated processes for the evaluation and interpretation of information relating to Taxonomy eligibility.
	Our responsibility along the supply chain	<p>Evaluate 100 percent of selected suppliers representing at least 70 percent of the procurement volume with regard to our sustainability requirements.</p> <p>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.</p> <p>Implement a global supplier engagement program to reduce CO₂ emissions in the supply chain (scope 3).</p> <p>Maintain a DRC conflict-free supply chain and conduct another evaluation of the use of conflict minerals for 100 percent of the relevant suppliers.</p> <p>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.</p>
	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.

