

About this report

This report documents Infineon's environmental and social performance during the 2023 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 2023 fiscal year has been published in the Annual Report 2023. www.infineon.com/annualreport

In the 2023 fiscal year, the German CSR Directive Implementation Act requires Infineon to publish a Non-Financial Statement. 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. 19 ff. of the Annual Report 2023](#)

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 expenditure and operating expenditure and, for the first time, also the proportion of our Taxonomy-aligned Group-wide revenue, capital expenditure and operating expenditure for the 2023 fiscal year in relation to the environmental objectives: "Climate change mitigation" and "Climate change adaptation".

The reporting period covers the 2023 fiscal year, from 1 October 2022 until 30 September 2023. We publish this report annually. The previous report was published in November 2022 as a supplement to the Annual Report 2022. Unless otherwise specified, the statements and key figures in this report refer to the 2023 fiscal year. To help readers identify and interpret the trends relating to quantitative disclosures, the present report includes data from at least the 2022 and 2023 fiscal years. 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.

Reporting

This report has been prepared with reference to the GRI¹ 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. 60 f.](#)).

In the chapter "Sustainable Development Goals", Infineon also reports for the seventh time in a row on the processes and steps implemented to support the Sustainable Development Goals (SDG) of the UN. [p. 62 ff.](#)

With the completion of the acquisition of Syntronix Asia, the company became part of Infineon. Generally, the non-financial data of Syntronix Asia have been consolidated in this report. Where data from Syntronix Asia have not been included in the content of this report, this is explicitly disclosed in the relevant sections. Data from Syntronix Asia are not included in our reported figures for years up to and including the 2022 fiscal year.

KPMG AG 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, selected indicators were subject to a reasonable assurance audit. Two limited assurance reports by the independent auditor KPMG AG Wirtschaftsprüfungsgesellschaft are published at the end of this report and contain further information. [p. 71 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.

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. Secondly, 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. Thirdly, relevant topics were pre-selected 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 then confirmed by the Infineon Management Board. 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 Financial Reporting Processes 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 2023. [p. 27 ff. and p. 65 ff. of the Annual Report 2023](#)

Progress during the 2023 fiscal year, the achievement of our targets, and the associated key performance indicators are described in this report as well as in the chapters “Business model” and “Group strategy” in the Annual Report 2023. [TARGETS p. 53 ff. as well as p. 20 ff. and p. 27 ff. of the Annual Report 2023](#)

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 semiconductor leader in power systems and IoT, we enable game-changing solutions for green and efficient energy, clean and safe mobility, as well as 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 connectivity and intelligence with far-reaching consequences for our society and our economy. The International Data Corporation (IDC) estimates that the number of connected devices (especially IoT devices and systems) will rise to 55.7 billion by the 2025 calendar year.

By then, the data volume generated annually is expected to reach up to 80 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 actuators 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 2023. [□ p. 37 ff. and p. 40 ff. in this report and p. 24 ff. and p. 27 ff. of the Annual Report 2023](#)

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 makes our customers more successful and 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 expenditure on research and development is devoted to energy efficiency and climate protection.

According to the UN, the Earth will have up to 12.4 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 resources 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”. [□ p. 37 ff., p. 40 ff., p. 47 ff. and p. 62 ff.](#)

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 2023. [□ p. 38 of this report and p. 24 ff. of the Annual Report 2023](#)

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. Infineon's 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 the respect for human rights within our operating segments 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". [▢ p. 14 ff., p. 17 f. and p. 60 f.](#)

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. [▢ p. 47 ff.](#)

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 2019¹ 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 CO₂ 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". [▢ p. 26 f., p. 28 ff., p. 37 ff, p. 40 ff. and p. 62 ff.](#)

Diversity and equal opportunity: To create the best Infineon for everyone, we consider 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. Changes within the organization that support, among other things, the successful career development of female managers are prerequisites for meeting our targets.

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. Equal opportunities also apply to the various internal diversity dimensions: sexual orientation and identity, age, ethnic origin and nationality, religion and ideology, and physical and mental ability.

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, p. 21 f. and p. 62 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 2023. [□ p. 23 and p. 36 of the Annual Report 2023](#)

With our presence in different regions, we benefit the communities in various ways – by creating jobs, 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. 50 ff. and p. 62 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. 60 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 “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 2023. [□ p. 14 ff., p. 17 f. and p. 62 ff. of this report and p. 86 of the Annual Report 2023](#)

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. 60 f.](#)

Our Occupational Safety and Health Management System has been certified in accordance with ISO¹ 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 given in the chapters “Human resources management”, “Protection of our employees” and “Sustainable Development Goals”. [□ p. 19 ff., p. 26 f. and p. 62 ff.](#)

¹ ISO: International Organization for Standardization.



Business ethics

As part of a risk-based training concept, all employees are automatically enrolled in Business Conduct Guidelines training on an ongoing basis. For selected target groups, this also applies to training on the topics of corruption prevention and antitrust law. More training sessions are constantly being developed and provided to ensure that knowledge of compliance topics is sustained and becomes embedded in the company.

Material topics

- › Responsible manufacturing
- › Business ethics
- › Diversity and equal opportunity
- › Labor relations

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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 Guidelines¹ 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 Corporate Compliance Officer, heading a worldwide team, is responsible for coordinating the compliance management system. The Corporate 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 officer helps create guidelines, advises employees, receives complaints and information on relevant issues and heads the investigation of compliance cases.

Reviews of the compliance management system are conducted by Internal Audit. Employees and business partners also took advantage in the 2023 fiscal year of the opportunities available, both internally (Management, Human Resources and Compliance) and externally (Infineon Integrity Line), to report actual or suspected violations during the year. In the 2023 fiscal year the number of reports made and investigations conducted remained virtually constant. These trends are shown in [CHART 03](#) on the following page. We attribute this mainly to the fact that employees continue to be encouraged to report any actual or suspected violations. When assessing possible breaches, Infineon distinguishes between various degrees of severity.

¹ The Business Conduct Guidelines have been published in 17 languages.

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 (via Webex) or face-to-face. Since the 2021 fiscal year, all employees have been automatically enrolled in web-based Business Conduct Guidelines training (which forms part of the learning management system) on an ongoing basis.

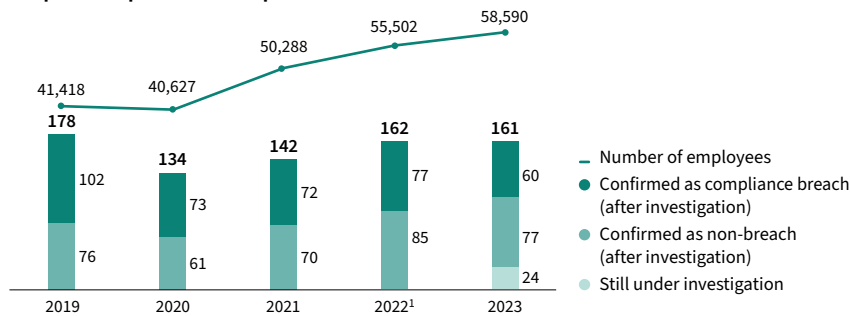
This also applies to training for selected target groups on the topics of corruption prevention and antitrust law. All web-based training sessions are repeated every three years. As part of our compliance training concept, we are also constantly developing more training formats with new content (such as microlearning 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

CHART 03 Reports of possible compliance breaches



¹ One additional case was only documented after the editorial deadline in December 2022.

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 successfully 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.

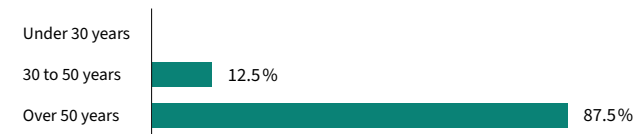
Further information on this subject can be found on the Infineon website.

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 2023, 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



[CHART 05](#) Supervisory Board by gender





Human rights

Respect for human rights and the promotion of fair working conditions form the basis of our corporate culture.

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Material topics

- › Responsible manufacturing
- › Diversity and equal opportunity
- › Business ethics
- › Labor relations



Standards and principles

Respect for internationally proclaimed human rights and compliance with labor standards is a matter of course for us. We support and respect 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. We do not tolerate human rights abuses in any form, nor any form of forced labor, slavery, involuntary prison labor or child labor. The term “child” refers to persons under the age of 15. Exceptions apply for certain countries subject to ILO Convention 138 (minimum age reduced to 14 years) or for job training or training programs that are authorized by the respective government and demonstrably promote those participating. 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.

Guidelines and publications

In the 2023 fiscal year, we published Infineon’s Human Rights Policy. This describes the setting of our priorities and sets out in detail how Infineon intends to make vigorous efforts to ensure human rights are respected worldwide in the course of its business operations and with its business partners. The policy complements our CSR Policy, our Business Conduct Guidelines and our Supplier Code of Conduct.

Infineon has enhanced the human rights risk management system with the aim of ensuring compliance with applicable laws and regulations, identifying and minimizing risks related to human rights in Infineon’s business operations and the supply chain, and striving for continuous improvement.

In the 2023 fiscal year, we introduced worldwide another important component of this framework, a separate human rights training module. This module explains fundamental human rights and the role of companies and international organizations in ensuring respect for human rights, as well as the measures taken by Infineon and the role of every individual in protecting human rights. Human rights training is available in different languages, mandatory for all Infineon employees worldwide and needs to be repeated every three years.

In the 2022 fiscal year, a Human Rights Officer with global responsibility as defined by the German Supply Chain Due Diligence Act (German: Lieferkettensorgfaltspflichten-gesetz, or LkSG) was appointed.

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”, [p. 60 ff.](#)). Our employees around the world receive regular training on the Business Conduct Guidelines. In addition, there is a whistleblower hotline, which our employees, suppliers, customers and business partners can contact openly or anonymously. All cases reported are investigated by our compliance experts (see the chapter “Business ethics”, [p. 14 ff.](#)). In the case of potential human rights abuses, the Human Rights Officer is involved in the process. The compliance management system ensures that reported violations of human rights and applicable labor standards are reported to the Management Board.

Our CSR Policy describes our focus areas in relation to this topic 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. 47 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 2023.

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Human resources management¹

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.



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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 2023. [p. 33 of the Annual Report 2023](#)

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 06](#)

CHART 06 High Performance Behavior Model



¹ Following the acquisition of Syntronix Asia, the human resource management processes/definitions are currently still in the harmonization phase and will apply once the harmonization phase has been completed. As a result, the information published in this chapter does not include data from Syntronix Asia.

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.

Good leadership is essential to Infineon's success. In the 2019 fiscal year, we defined what "excellent leadership" means at Infineon and the conduct expected of managers as a result. In the 2023 fiscal year, we refined this to take account of current challenges and dynamics. The Infineon Leadership Principles contain eight expectations of conduct and the corresponding operationalization. Our Leadership Principles supplement the High Performance Behavior Model and provide guidance on management issues. [CHART 07](#)

CHART 07 Leadership Principles



We support our managers in the successful implementation of the 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 as far as possible 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, in the 2022 calendar year, Infineon rolled out the Infineon General Management Program (IGMP) for its top management. 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.

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 were developed in the 2020 fiscal year 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 talent development 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.

In the course of the coronavirus pandemic, we were also able to devise measures to provide an appropriate response to specific situations on site. Health management works closely together with occupational health and social counseling services at the various sites and helps provide a healthy range of foods and an effective health program. One example in Germany is provided by training measures in the area of “Healthy Leadership”.

Encouraging diversity

The diversity of our employees is 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 age, ethnic origin or nationality, gender, physical or mental ability, religion or ideology, sexual orientation or identity.

Our global Diversity & Inclusion approach is the basis for our activities, enabling our Diversity & Inclusion managers and local HR managers to support the needs of our employees effectively on the ground. Valuing the individual skills and qualities of all our employees and enhancing them through training is very much part of our corporate culture. The global starting points of our Diversity & Inclusion approach are: awareness and competence, age diversity, gender diversity, cultural diversity and achieving a work-life balance.

The promotion of women to management positions is one of the key focus areas of our Diversity & Inclusion activities. At the end of the 2023 fiscal year, the percentage of women in middle and senior management positions was 17.1 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 57,904 people of different nationalities. The five most prevalent nationalities represent a total of 66.8 percent of the workforce, with Malaysian nationals accounting for 26.8 percent and German nationals for 22.2 percent. [CHART 09](#)

CHART 08 Women in management positions

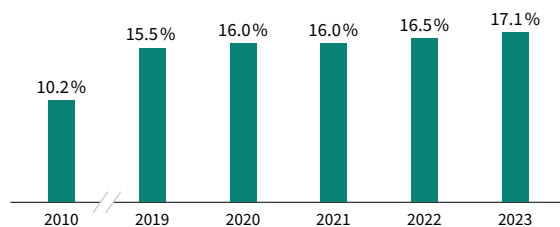
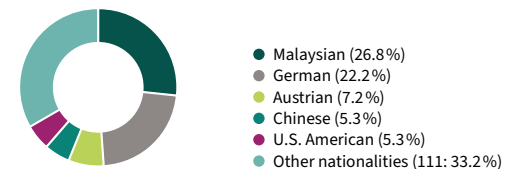


CHART 09 Employees by nationality



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}	10,901	0.1	57.4	42.5
Entry level management ²	12,699	5.2	79.4	15.4
Non-management staff	34,304	35.4	52.4	12.2
Total	57,904	22.2	59.2	18.6

- 1 Figures expressed in percent based on the workforce as of 30 September 2023 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 20,675 female employees, 27.8 percent are under 30 years old, 59.1 percent are in the middle age group and 13.1 percent are over 50 years old. Out of 37,229 male employees, 19.0 percent are under 30, 59.3 percent are in the middle age group, and 21.7 percent are over 50 years old.

Employees by management class and gender¹

	Employees total	Female ²	Male ²
Middle and senior level management ^{3,4}	10,901	17.1	82.9
Entry level management ³	12,699	30.8	69.2
Non-management staff	34,304	43.4	56.6
Total	57,904	35.7	64.3

- 1 In the 2023 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 2023 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 2023 fiscal year, our staff participated in a total of 874,038 hours of training. 31.4 percent of training hours were provided to female employees and 68.6 percent to male employees. Production training hours accounted for most of the hours utilized, at 52.9 percent.

Training hours¹ per employee and functional area

	Per employee
Production	12.42
Research and development	22.56
Sales and marketing	20.28
General administration	13.99
Total	15.38

- 1 Calculated on the basis of the monthly workforce in the 2023 fiscal year.

Training hours¹ by management class and gender²

	Per employee	Female	Male
Middle and senior level management ^{3,4}	18.32	21.50	17.67
Entry level management ³	24.63	25.73	24.16
Non-management staff	11.08	9.45	12.35
Total	15.38	13.51	16.42

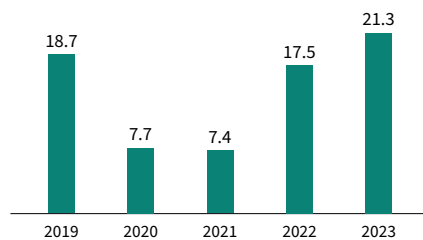
- 1 Calculated on the basis of the monthly workforce in the 2023 fiscal year.
- 2 In the 2023 fiscal year, Infineon received no notifications worldwide of employees who described their gender as “diverse”.
- 3 At Infineon, the management function includes not only the leadership of employees but also 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, 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 2023 fiscal year, 38,906 Infineon employees had activated their LinkedIn Learning license. This number includes shop floor employees without company devices. In total, 82,812 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. A further rise in training costs is explained by a higher level of demand as well as additions to the global training portfolio and the reduction in local programs. [CHART 10](#)

CHART 10 Training expenses

€ in millions



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.

In Germany, Austria, Asia-Pacific, Greater China and Japan, in addition to employer and employee-financed pension plans, benefits granted include the items listed below (the exact arrangements are specific to each site):

Industrial accident insurance	Company car for work or as an additional benefit
Paid sick leave beyond the statutory minimum	Private car leasing from gross deferred compensation
Continued payment of wages to surviving dependents in the event of death	Long-service awards
Sabbaticals	Preventive health programs
Flexible transition to retirement pension	Family-friendly services, such as in-house kindergartens or working together with local organizations offering daycare facilities and vacation care for children

In addition to the benefits above, in Asia-Pacific, Greater China and Japan, site-specific group life insurance and group hospital insurance are also offered, extending beyond the statutory requirements. One noteworthy example is the attractive company pension plan in the USA. Infineon also encourages various work-time models intended to keep working hours flexible, depending on individual employees’ circumstances. These models include trust-based working hours, part-time work and teleworking arrangements. Thus, for example, in Asia-Pacific, Greater China and Japan, all sites already offer flexible working and/or teleworking.

Compensation

Infineon wants to attract and retain the best available talent and, for that 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 0.43 percent in the 2023 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 57,904 employees (previous year: 55,502) worked in Asia-Pacific, Greater China and Japan (28,648 employees). 41.5 percent of all employees were employed in Europe (24,043); the majority of these were employed in Germany (14,813).

Employees by region and gender¹

	2023			2022		
	Total	Female	Male	Total	Female	Male
Europe	24,043	6,546	17,497	22,494	5,978	16,516
Therein: Germany	14,813	4,040	10,773	14,099	3,839	10,260
Americas	5,213	1,679	3,534	5,578	1,887	3,691
Therein: USA	3,721	896	2,825	4,055	1,082	2,973
Asia-Pacific	24,941	10,978	13,963	23,850	10,670	13,180
Greater China	3,029	1,372	1,657	2,919	1,326	1,593
Japan	678	100	578	661	89	572
Total	57,904	20,675	37,229	55,502	19,950	35,552

¹ In the 2023 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".

As of 30 September 2023, in the workforce as a whole, 1,874 female employees and 2,431 male employees had fixed-term contracts and 18,801 female employees and 34,798 male employees had permanent contracts. A total of 2,533 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 are therefore not included in the tables on this page.

Temporary agency staff are also excluded. As of 30 September 2023, 3,051 temporary employees were working for Infineon worldwide. Of these, 68.3 percent worked in production, giving Infineon the flexibility in its manufacturing to deal with fluctuations in capacity utilization.

As of 30 September 2023, Infineon also employed a total of 923 apprentices and students in work-study programs, 161 interns and 1,877 working students. 566 new apprentices and students in work-study programs were hired in the 2023 fiscal year.

Employees¹ by contract type

		2023			2022		
		Total	Full-time	Part-time	Total	Full-time	Part-time
Employees on permanent contracts	Male	34,798	33,637	1,161	32,986	31,884	1,102
	Female	18,801	17,465	1,336	18,030	16,766	1,264
Employees on fixed-term contracts	Male	2,431	2,420	11	2,566	2,554	12
	Female	1,874	1,849	25	1,920	1,898	22
Total		57,904	55,371	2,533	55,502	53,102	2,400

¹ In the 2023 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 2023 fiscal year, there were 5,934 new hires worldwide, of which 2,159 were female and 3,775 male. [CHART 11](#)

2,956 employees were under the age of 30, 2,714 employees were in the age group of 30 to 50 and 264 employees were over the age of 50. [CHART 12](#)

Worldwide, there were 3,893 staff departures from Infineon in the 2023 fiscal year. Of these, the majority (1,609 employees) were in the Asia-Pacific region, where most new recruitment also occurred (2,662 employees).

Rates of new hires and terminations by region

	Total	Europe	Therein: Germany	Asia-Pacific	Greater China	Japan	America	Therein: USA
Newly hired employees	5,934	2,296	1,188	2,662	332	52	592	412
Rate of newly hired employees ¹	10.2	9.5	8.0	10.7	11.0	7.7	11.4	11.1
Staff departures	3,893	1,132	593	1,609	224	36	892	677
Rate of staff departures ²	6.8	4.8	4.1	6.6	7.4	5.4	16.9	17.9

1 Figures expressed in percent based on the workforce as of 30 September 2023 in the respective region.
 2 Figures in percent, calculated on the basis of the monthly workforce in the 2023 fiscal year.

[CHART 11](#) Female/male¹ employees new entries



1 In the 2023 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".

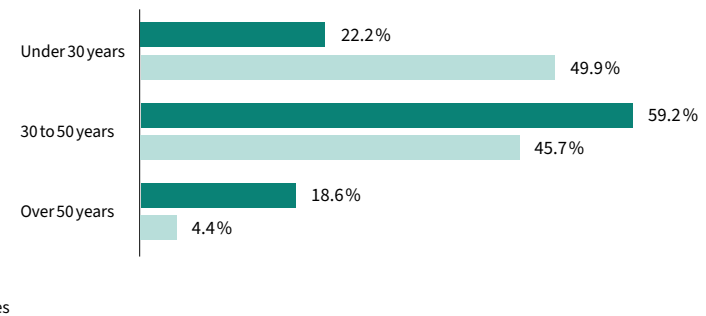
Of the departures, 1,507 were women and 2,386 men. 1,296 employees were in the under 30 age group, 1,733 in the middle age group (30 to 50 years) and 864 in the over 50 age group. The worldwide employee fluctuation rate during the 2023 fiscal year was 6.8 percent (previous year: 9.0 percent).

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 2023 fiscal year was 39.3 years (previous year: 39.3 years). The proportion of employees below 30 years of age fell to 22.2 percent (previous year: 22.7 percent). On the other hand, the proportion of employees in the middle age group increased (2023 fiscal year: 59.2 percent; previous year: 58.6 percent). The proportion of employees over the age of 50 fell slightly (2023 fiscal year: 18.6 percent; previous year: 18.7 percent). [CHART 12](#)

The average length of service remained stable at 9.6 years (previous year: 9.6 years).

[CHART 12](#) Age structure at Infineon





Protection of our employees

In the 2023 fiscal year, we invested around 51,367 hours in training and continuing education for our fire protection and occupational safety and health experts worldwide.

TARGETS

p. 54 ff.

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 Nohl¹ risk matrix, and measures are subsequently adopted based on the STOP² hierarchy. This means that substitution and technical measures take precedence over organizational or personal measures such as personal protective equipment.

As another element in our preventive approach, in the 2018 fiscal year we introduced the seven Golden Rules of Safety as part of our behavior-based safety program. We will continue to apply this program. This 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 also analyzed to assess how they could be improved. One example from everyday practice is the information brochure for our corporate headquarters Campeon (Germany), which includes tips and advice on topics such as the room climate and office acoustics.

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.

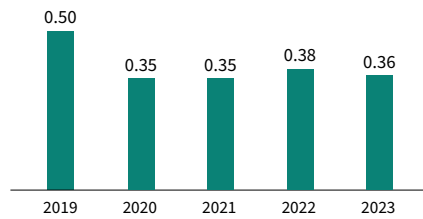
² STOP: Substitution, Technical Protective Measures, Organizational Protective Measures, Personal Protective Measures.



There were no fatal work-related accidents at Infineon in the 2023 fiscal year. Our Injury Rate of 0.36 in the 2023 fiscal year is presented in [CHART 13](#). It fell slightly compared with the previous year. One of the reasons for this is the increased use of

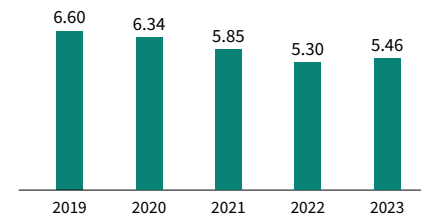
mobile working as part of Infineon’s hybrid work initiative. In the 2023 fiscal year, the Lost Day Rate increased slightly to 5.46 and is illustrated in [CHART 14](#).

CHART 13 Injury Rate¹



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 Rate¹



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 target¹.

TARGETS

p. 54 ff.

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

Today, 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. Infineon has set itself 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 CO₂ 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 2023 fiscal year, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich (Germany) conducted an independent reasonable assurance audit, inter alia, of Infineon's scope 1 and scope 2 CO₂ emissions, in accordance with the relevant assurance standard for sustainability reporting, the International Standard on Assurance Engagements 3000 (Revised). [p. 71 ff.](#)

“Infineon is already one of the most sustainable semiconductor producers,” says Infineon's Chief Executive Officer, Jochen Hanebeck. “CO₂ 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.”

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

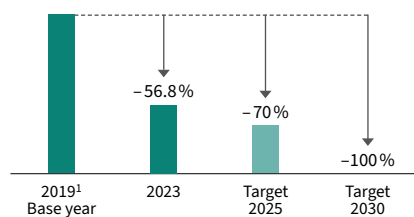
¹ In terms of the scope 1 and scope 2 emissions compared with the 2019 calendar year.

The continuing expansion of its energy efficiency program and its efforts to achieve intelligent exhaust air abatement are playing a key role here and are 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 RE¹100 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 non-profit 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 CO₂ certificates that combine development aid and CO₂ avoidance.

Already by the end of the 2023 fiscal year, our scope 1 and scope 2 emissions were 56.8 percent below the emissions of the base year 2019. [CHART 15](#). Factors contributing to this reduction were the expansion of smart abatement concepts and 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.

CHART 15 CO₂ targets and status



¹ Calendar year

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.

In the 2023 fiscal year, Infineon consumed around 2,601 gigawatt hours of energy worldwide. Consumption by material energy source is shown in the following table and in [CHART 16](#) on the next page.

Energy consumption (direct/indirect)

in gigawatt hours

Direct energy (scope 1) renewable	0.89
Firewood	0.89
Direct energy (scope 1) non-renewable	252.36
Natural gas	224.29
Liquid gas	1.16
Petrol	0.01
Petrol (cars)	3.09
Diesel	1.52
Diesel (cars)	17.45
Fuel oil	4.84
Indirect energy (scope 2)	2,347.73
Electricity	2,253.66
Own energy photovoltaics	0.44
District heating	93.30
Electricity (cars)	0.33
Total	2,600.98

¹ RE: Renewable electricity.

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 2025. [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 82 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.

In the 2023 fiscal year, energy consumption per unit of revenue was 0.16 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 CO₂ 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 CO₂ 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 ecobalance specific to products and in the Principles of the GHG Protocol to prepare an ecobalance (relevance, completeness, consistency, transparency and accuracy).

CHART 16 Energy consumption

rounded, in gigawatt hours

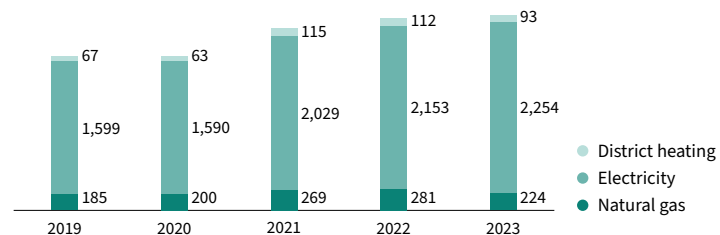
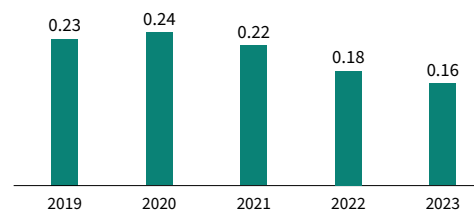


CHART 17 Green electricity as a percentage of total electricity consumption



CHART 18 Energy consumption per unit of revenue

in kilowatt hours per €



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 (SF₆) and nitrogen trifluoride (NF₃). These greenhouse gases cannot be replaced by another class of substances and account for 80.7 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 smart 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 around two-thirds of our potential direct scope 1 emissions, which corresponds to avoiding around 692,060 tons of CO₂ equivalents per year.

As a result of the installation of additional PFC abatement systems brought into operation in the 2023 fiscal year, we were able to achieve a further reduction of 24,101 tons of CO₂ equivalents. We are therefore confident that we will be able to meet our target of saving a total of 50,000 tons of CO₂ equivalents in emissions by the end of the 2024 fiscal 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 from 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 2023 fiscal year, Infineon has achieved a reduction in potential PFC emissions of more than 82 percent.

Our continuous improvement in the avoidance of PFC emissions can also be seen from the normalization of emissions relative to 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 2023 fiscal year,

4.79 tons of sulfur oxides (SO_x), 84.89 tons of nitrogen oxides (NO_x), 35.24 tons of carbon monoxide (CO), 641.32 tons of volatile organic compounds (VOC), and 17.34 tons of particulate matter were emitted.

Our scope 1 emissions in the 2023 fiscal year totaled 246,126 tons of CO₂ equivalents.

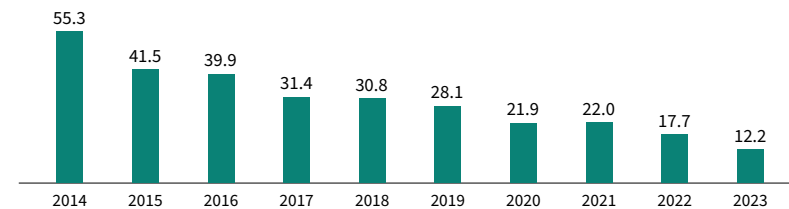
Scope 2 emissions

The Scope 2 Guidance¹ 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 254,335 tons of CO₂ equivalents in the reporting period². 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. At our frontend site in Dresden (Germany), for example, we have been operating a highly efficient cogeneration unit for some years now. The potential for our own green electricity production on 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 CO₂ equivalents per million €



¹ GHG Protocol Scope 2 Guidance (2015).

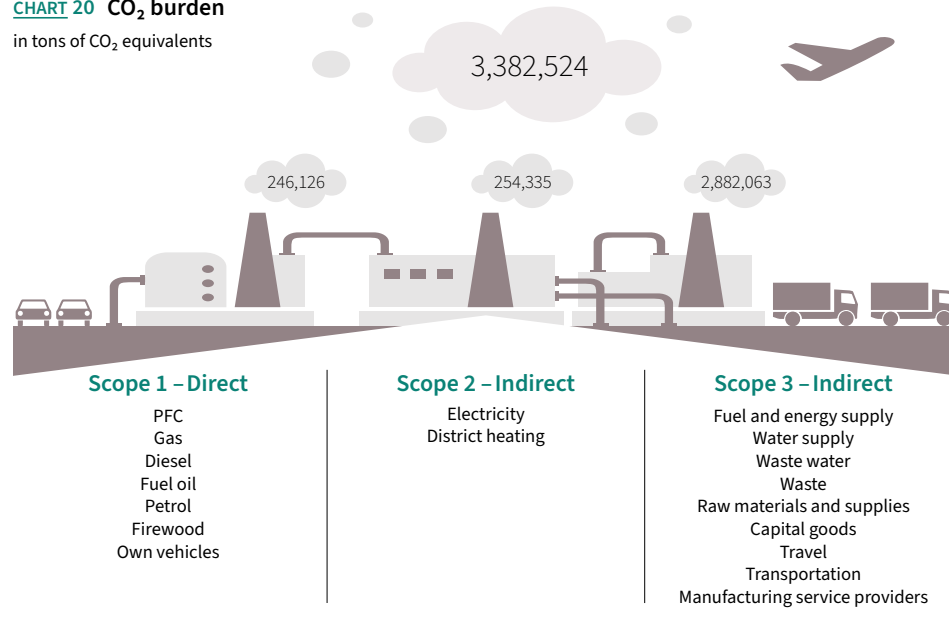
² Based on the regional or national grid average (location-based accounting), our scope 2 emissions are 952,640 tons of CO₂ equivalents.

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 2,882,063 tons of CO₂ equivalents. This figure is more than 30 percent higher than in the previous year. The significant rise is due to an increase in the purchasing volume of more than 20 percent and better availability of supplier scope 3 data and thus greater coverage of the upstream supply chain. At 89 percent, supplier-related emissions comprise by far the largest proportion of scope 3 emissions. Of the supplier-related emissions, around 1.1 million tons of CO₂ equivalents relates to direct suppliers and around 1.5 million tons of CO₂ equivalents to the upstream supply chain. The following emissions have been included in the calculation of the Infineon carbon footprint:¹

CHART 20 CO₂ burden

in tons of CO₂ equivalents

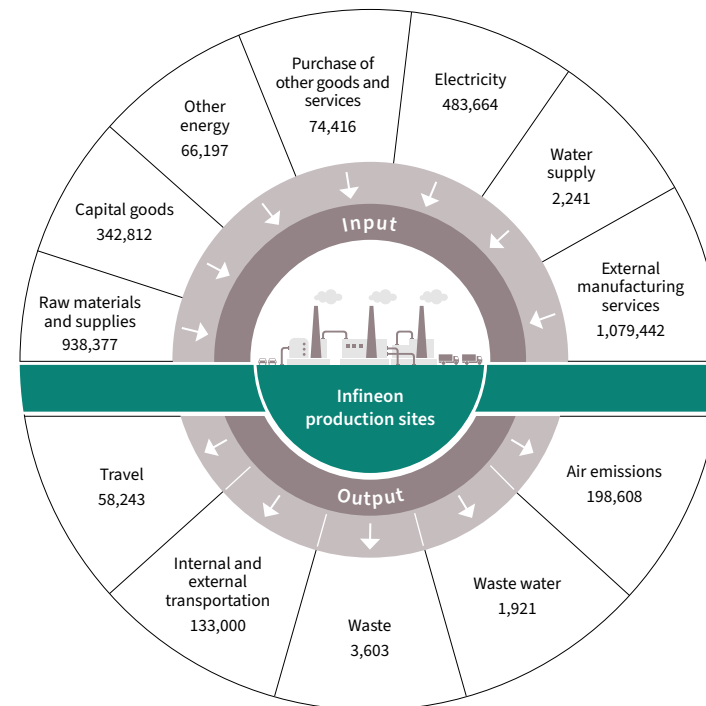


The Infineon environmental footprint in the 2023 fiscal year was around 3.4 million tons of CO₂ equivalents. [CHART 20](#)

[CHART 21](#) illustrates emissions by origin. The input streams show emissions generated, for example, in the course of supplying materials. The output streams show emissions that were generated directly (during production) and through internal and external transportation.

CHART 21 Allocation input and output of emissions by origin

in tons of CO₂ equivalents



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 2023 fiscal year is shown in schematic form in [CHART 22](#).

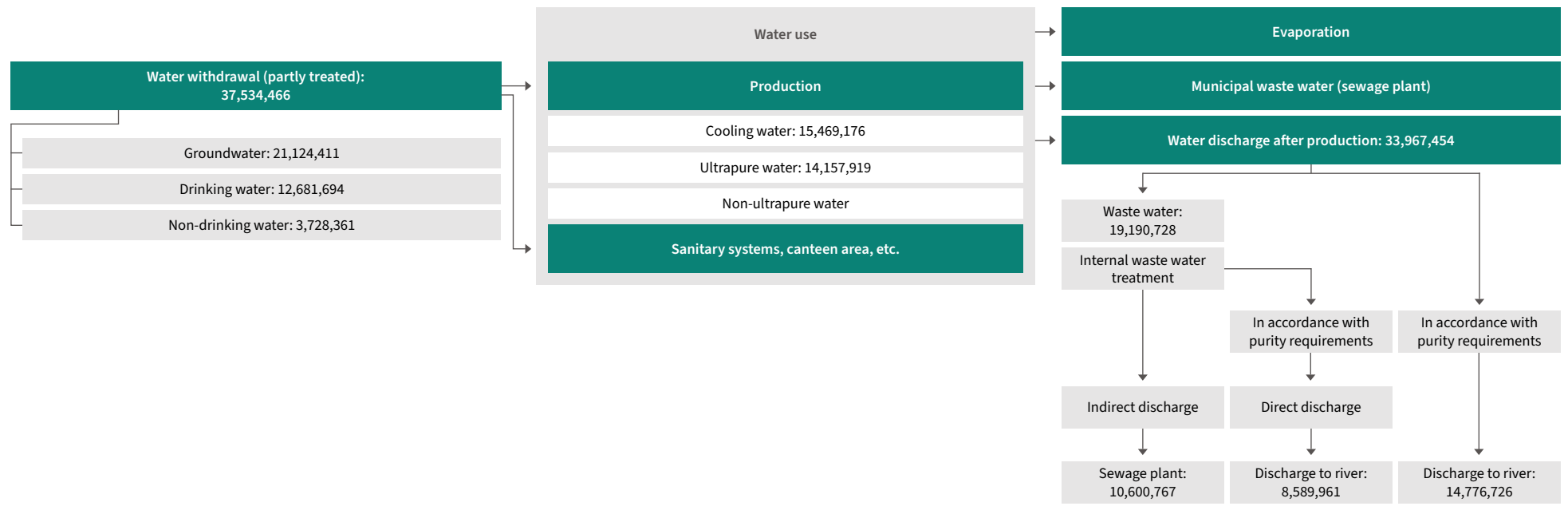
Water is used at our manufacturing sites, for example, to cool equipment or to generate ultrapure water. A significant share of our water withdrawal, which is used as cooling water, is returned in at least the same degree of purity. If the water we

withdraw does not meet the applicable purity standards, it is subject to further treatment.

Part of the withdrawn water can be reused after its initial use. During the reporting period, 2,681,991 cubic meters (18.94 percent) of ultrapure water and 2,901,085 cubic meters (15.12 percent) of production waste water were reused.

CHART 22 Water balance

in cubic meters



Infiniteon withdrew 37,534,466 cubic meters of water during the reporting year. Infiniteon 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 23](#).

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 24](#).

In accordance with the GRI definition, water consumption in the 2023 fiscal year per unit of revenue was around 0.22 liters per euro. [CHART 25](#) 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 3.0 data in the 2021 fiscal year), we were able to identify areas with a high or extremely high risk of water stress. Two of our sites are located in such areas: Mesa (Arizona, USA) and Tijuana (Mexico). The water withdrawal at these two sites comprises 1.20 percent of our total water withdrawal. These sites use only water provided by local suppliers. To reduce the demand for fresh water, both sites implement effective water recycling measures using reverse osmosis systems. The water discharge after production (for instance, into municipal sewage plants) for these two sites is 0.77 percent of the total water discharge.

We used the same method of assessment to determine potential future scenarios, with the result that by the end of the 2030 calendar year, other sites might find themselves in areas with water scarcity. In this context, we plan to develop measures within the IMPRES framework in accordance with local circumstances, such as consuming water more efficiently by using it multiple times in the process cycle.

CHART 23 Water withdrawal

rounded, in thousand cubic meters

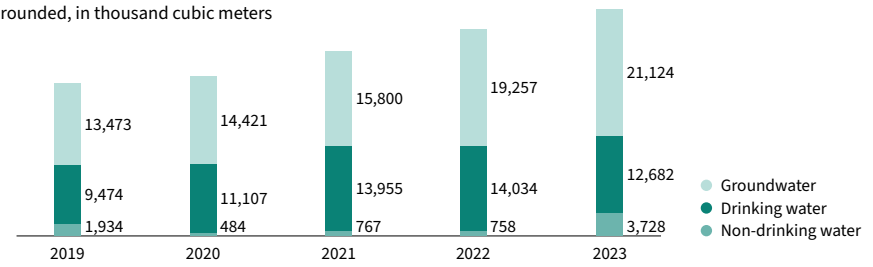


CHART 24 Water discharges

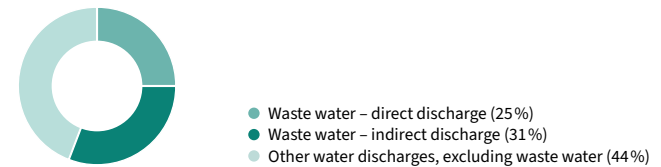
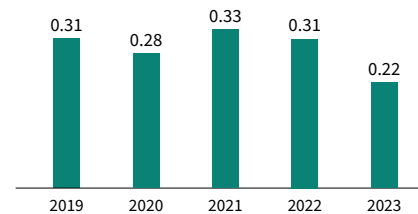


CHART 25 Water consumption per unit of revenue

in liters per €



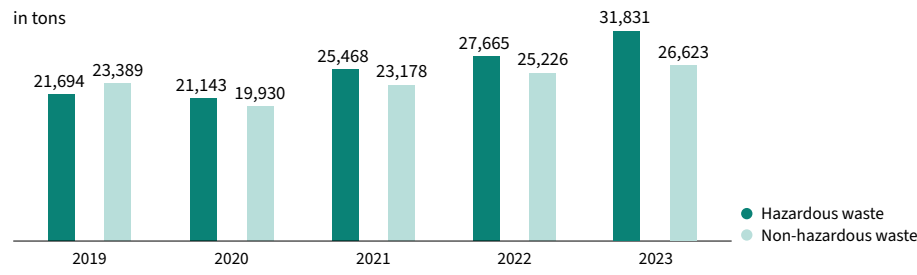
To ensure and continue to improve sustainable water consumption, we promote the exchange of knowledge between sites. In the 2023 fiscal year, as part of our NLoS¹ activities, we therefore set up a working group for knowledge transfer between the main sites offering significant water saving potential. We are planning to implement projects and measures in the 2024 fiscal year with an annual recycling potential of 6 million cubic meters of water.

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 about the associated risks and opportunities.

Waste management

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.

CHART 26 Waste generation



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 2023 fiscal year, the total amount of waste generated was 58,454 tons, with 26,623 tons classified as non-hazardous and 31,831 tons classified as hazardous. **CHART 26** In addition, 41,001 tons of the total waste generated was diverted from disposal, and 17,453 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. In the 2023 fiscal year, Infineon was able to send 69.50 percent of the non-hazardous waste and 70.68 percent of the hazardous waste for reuse or recycling, resulting in an overall recycling rate of 70.14 percent. The various waste treatment methods can be seen in the following tables.

Waste diverted from disposal

in tons

Hazardous waste	
Recycling	21,014
Preparation for reuse	1,484
Total	22,498
Non-hazardous waste	
Recycling	18,503
Preparation for reuse	0
Total	18,503

¹ NLoS: Next Level of Sustainability.

Waste directed to disposal

in tons

Hazardous waste	
Incineration with energy recovery	2,656
Incineration without energy recovery	794
Landfill	214
Other disposal operations	5,669
Total	9,333
Non-hazardous waste	
Incineration with energy recovery	2,652
Incineration without energy recovery	295
Landfill	5,094
Other disposal operations	79
Total	8,120

In the 2023 fiscal year, the total waste generated per unit of revenue was 3.58 grams per euro. [CHART 27](#) also shows the figures for the past few fiscal years for comparison purposes.

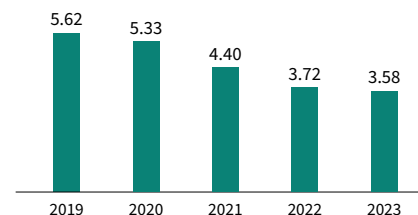
The data relating to the waste generated by our operations come primarily from invoices provided by the waste management contractors. These data are recorded, collated and monitored in our central electronic database. As part of our IMPRES management system, we perform regular reviews of external waste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

Along the lines of our approach to optimizing our water consumption and as part of our NLoS activities, we have also set up a working group to look at dealing with the generation of waste. This working group will share knowledge between the main sites that offer significant waste-saving potential.

Of course, the main aspects of our sustainable waste management are to avoid waste and to preserve the value of the resources we use by applying the principles of the circular economy. In its manufacturing, Infineon also requires solvents, which can be purified after use by distillation in such a way that they can then be reused to a significant extent as solvents, if this makes technical and economic sense. On the one hand, this reduces the purchase of new goods, and on the other hand, it reduces the waste generated. In the 2023 fiscal year, 228 tons of the solvent propylene glycol methyl ether acetate (PGMEA) was recovered externally by distillation of waste containing PGMEA and was reused in manufacturing.

CHART 27 Waste generation per unit of revenue

in grams per €





Contribution through sustainable products

Ecologically positive carbon footprint: During their use-phase, Infineon products enable CO₂ emission savings of around 117 million tons of CO₂ equivalents.

Material topics

- › Long-term viability of core business
- › Responsible manufacturing
- › Contribution through sustainable products

TARGETS

p. 55 ff.

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.

Key to greater sustainability and solving climate-related challenges are 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 2023. [p. 24 ff. of the Annual Report 2023](#)

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 in particular, in the use of electricity. Semiconductors form the basis for the intelligent and efficient use of energy: in 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.

Among other things, Infineon supplies the key components for the inverter, which plays a decisive role in controlling the drive in electric cars. 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.

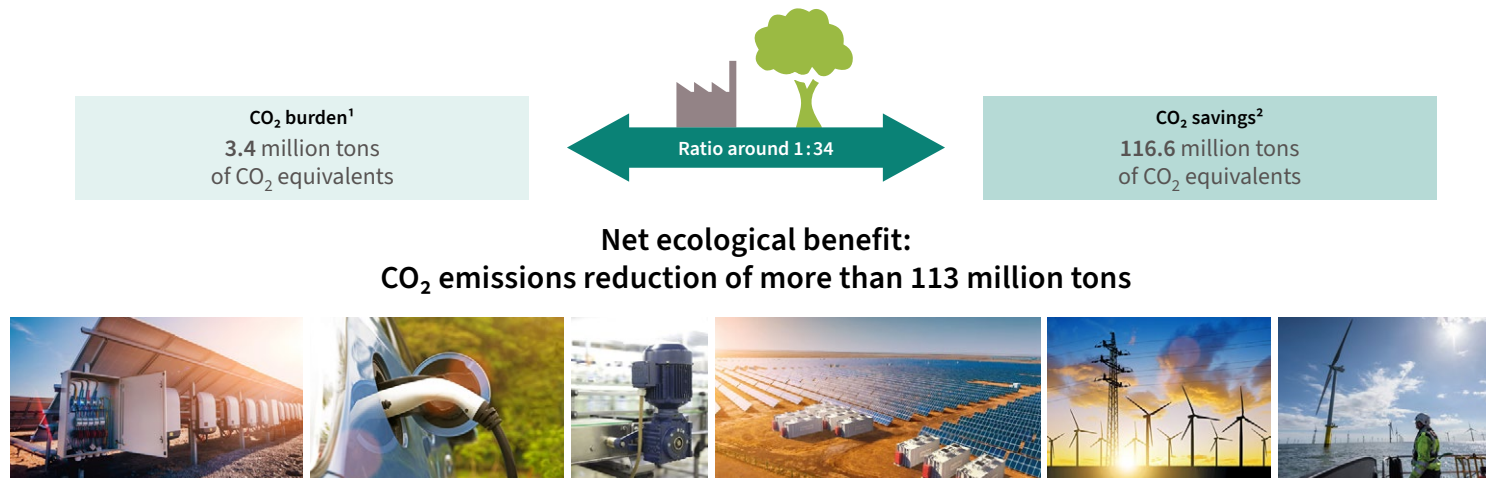
The Infineon carbon footprint

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 as well as wind energy), our products can achieve CO₂ savings during their lifetime of around 117 million tons of CO₂ equivalents. Compared with the European electricity mix, this is around 12.5 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 113 million tons of CO₂ equivalents. [CHART 28](#)

CHART 28 Infineon carbon footprint



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 2023 fiscal year.

² This figure is based on internally established criteria, which are described in the explanatory notes. The figure relates to the 2022 calendar year and takes into account the following application areas: automotive electronics, industrial drives, photovoltaics as well as wind energy. CO₂ savings are calculated based on the potential savings generated by technologies in which semiconductors are used. The CO₂ 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.

Our product example: Greater efficiency and power density with the resonant flyback converter controller XDP™ in combination with CoolGaN™ IPS in the design of chargers

The increasing number of mobile devices, laptops and battery-powered devices has created the need for greater charging capacity and fast-charge functions. This trend presents a challenge to engineers, as they constantly need to achieve higher levels of performance in smaller form factors, while at the same time meeting the requirements regarding thermal output. To satisfy the related design requirements, Infineon combines the resonant flyback converter XDP™ Digital Power Controller XDPS2201 with the CoolGaN™ Integrated Power Stage (IPS) 600 V (IGI60F1414A1L). This makes it possible to produce highly-efficient chargers and adapters with high power density.

Our customer Anker has decided on Infineon's next-generation resonant flyback converter controller and CoolGaN™ IPS for fast-charging devices over 100 watts, enabling it to achieve market-leading power density. As a result, this new charging device is able to reach superb efficiency of over 95 percent at system level. In comparison with other charging solutions, this architecture reduces energy loss by 21 percent. This is the first time that Infineon's resonant flyback converter controller and CoolGaN™ IPS components have been combined and deployed commercially in the consumer electronics market.

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 defined 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.

TARGETS

p. 55 ff.

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 environmental objectives:

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

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 five 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.

Whereas the EU Taxonomy Regulation was published in June 2020, the Delegated Act on environmental objectives 1 (“Climate change mitigation”) and 2 (“Climate change adaptation”) and the legislation relating to reporting obligations were published in the 2021 calendar year. To specify and clarify issues regarding implementation, the EU Commission also made FAQ¹ documents available. The EU Taxonomy stipulates that companies under the obligation to report shall disclose the Taxonomy-eligible proportion of turnover, capital expenditure and operating expenditure for environmental objectives 1 and 2 in their annual reports and/or sustainability reports published as from January 2022. It also stipulates that, as from the 2023 calendar year, these publications should include disclosures of Taxonomy alignment. In June 2023, the EU Commission approved the Delegated Act on environmental objectives 3 to 6 and amendments to the disclosure obligations and adjustments to environmental objectives 1 to 2 in respect of the inclusion of additional categories and amendments to the screening criteria.

The Environmental Delegated Act on environmental objectives 3 to 6 contains the technical screening criteria for a number of economic activities that make a substantial contribution to one or several of the additional four non-climate-related environmental objectives. The amendments to environmental objectives 1 to 2 (Climate Delegated Act) relate, inter alia, to the inclusion of additional economic activities in the catalog and amendments to the technical screening criteria of some existing economic activities, as well as amendments in Appendix C on the use and availability of certain chemicals. The amendments to the disclosure obligations (Disclosure Delegated Act) relate, inter alia, to the design of the reporting form.

¹ FAQ: Frequently Asked Questions.

In principle, companies must report on their Taxonomy eligibility with regard to the newly introduced economic activities in respect of environmental objectives 3 to 6 as from 1 January 2024. The amendments to the Disclosure Delegated Act and the amendments to existing economic activities in respect of 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 in respect of 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 and 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”. [□ p. 37 ff.](#)

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”, as described in the Delegated Act on the two first environmental objectives. 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 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, whether (b) it causes no significant harm to the other five environmental objectives and whether (c) it meets minimum social safeguards. Criteria (a) and (b) are also summarized as technical screening criteria.

(a) How to meet the substantial contribution requirement in respect of one of the six environmental objectives is described and defined in the relevant category. For disclosure in the 2023 fiscal year, Taxonomy alignment must be shown for the environmental objectives 1. “Climate change mitigation” and 2. “Climate change adaptation”. Infineon has no Taxonomy-eligible economic activities relating to environmental objective 2. 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. As a result of legal uncertainties in the interpretation of Appendix C regarding environmental objective 5 “Pollution prevention and control”, the relevant Taxonomy-eligible economic activities for this reporting year were classified as Taxonomy-non-aligned. This assessment may change in the future when interpretations have been clarified.

As Infineon products and solutions are highly heterogeneous and its sales structure is therefore complex, the category allocation is conducted in different ways in the various segments. Useful attributes here include customers that can be clearly assigned or product features (such as voltage range and main functionality). This means that a product group could definitely be allocated to several applications.

(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.

Infineon meets the requirements set out in this second test step in respect of environmental objectives 2, 3, 4 and 6. Detailed particulars are set out below.

Environmental objective 2: Climate change adaptation

Physical climate risks have been determined at site level in the course of a robust climate risk assessment based on the risks set out in the table in Appendix A, Section II of Annex I. The Representative Concentration Pathways 2.6 and 8.5 and a time horizon to 2050 were used here, based on various data sources. As a result of this assessment, effective adaptive solutions will be applied wherever potential risks exist.

Environmental objective 3: Sustainable use and protection of water and marine resources

In accordance with our environmental policy, potential impacts on the environment are investigated as early as possible and are taken into account when products and processes are being developed. For this purpose, Infineon has established an integrated management system known as IMPRES (Infineon Integrated Management Program for Environment, Energy, Safety and Health). Consequently, data is collected which is also used to maintain water quality and prevent water scarcity, and associated potential risks are analyzed at production site level. Additional information about this topic can be found in the section “Water management” in the chapter “Environmental sustainability and climate protection”. [p. 33 ff.](#)

Environmental objective 4: Transition to a circular economy

As part of the assessment of environmental objective 4, it is necessary to check whether the economic activity supports the availability or, where possible, the application of certain processes. So, for example, in the case of waste management, recycling should take priority over disposal. The result of the assessment was that our economic activities cause no significant harm to environmental objective 4. Additional information about this topic can be found, for example, in the section “Waste management” in the chapter “Environmental sustainability and climate protection”. [p. 35 f.](#)

Environmental objective 6: Protection and restoration of biodiversity and ecosystems

To protect and restore biodiversity and ecosystems, an analysis was conducted in the form of an environmental impact assessment at site level to identify risks and determine corrective measures. It was established here that our products and solutions cause no significant harm.

(c) In assessing whether minimum safeguards are met, comprising the topics “Human rights”, “Corruption and bribery”, “Tax” and “Fair competition”, we align ourselves with the recommendations from the “Final Report on Minimum Safeguards”, which was published in October 2022 by the European Platform on Sustainable Finance. The assessment of these aspects takes place at Group level. When looking at the topics of human rights and corruption and bribery, it is the value chain that is considered, while the topics of tax and fair competition only involve looking at Infineon itself.

In conclusion, Infineon meets the requirements set out in the minimum safeguards. 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 2023. [p. 14 ff., p. 17 f., p. 47 ff. and p. 60 f. and p. 82 ff. of the Annual Report 2023](#)

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 2023 fiscal year, the figures relating to our Taxonomy-eligible economic activities were as follows: revenue of €9,353 million (57 percent), capital expenditure of €2,174 million (70 percent) and operating expenditure of €1,283 million (51 percent). [p. 44 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 on the analyses of revenue by segment, product group and region is included in the Annual Report 2023 in the “Notes to the Consolidated Financial Statements” and in the “Segment reporting” section of the Notes. [□ p. 108 ff. and p. 156 ff. of the Annual Report 2023](#)

Capital expenditure according to the EU Taxonomy comprises additions to intangible assets (especially capitalized development costs), additions to property, plant and equipment, and right-of-use assets in accordance with IFRS¹ 16.

Operating expenditure comprises 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 expenditure and operating expenditure 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 expenditure and operating expenditure was calculated using a revenue-based allocation key.

The following tables provide a summary of the relevant parameters Infineon is required to report in respect of the EU Taxonomy for the 2023 fiscal year.

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

Revenue

Economic activities	Absolute turnover	Proportion of turnover	Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")						Minimum safeguards	Taxonomy-aligned proportion of turnover 2023	Taxonomy-aligned proportion of turnover 2022	Category (enabling activity)	Category (transitional activity)
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
	€ million	in %	in %	in %	in %	in %	in %	in %	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	in %	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0														0	n.a.		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
3.1. Manufacture of renewable energy technologies	1,673	10																	
3.5. Manufacture of energy efficiency equipment for buildings	478	3																	
3.6. Manufacture of other low carbon technologies	7,202	44																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	9,353	57														-	n.a.		
Total (A.1 + A.2)	9,353	57														0	n.a.		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B)	6,956	43																	
Total (A + B)	16,309	100																	

Capital expenditure (CapEx)

Economic activities	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")						Minimum safeguards	Taxonomy-aligned proportion of CapEx 2023	Taxonomy-aligned proportion of CapEx 2022	Category (enabling activity)	Category (transitional activity)	
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
	€ million	in %	in %	in %	in %	in %	in %	in %	in %	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	in %	E	T
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0															0	n.a.		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.1. Manufacture of renewable energy technologies	344	11																		
3.5. Manufacture of energy efficiency equipment for buildings	102	3																		
3.6. Manufacture of other low carbon technologies	1,728	56																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	2,174	70															-	n.a.		
Total (A.1 + A.2)	2,174	70															0	n.a.		
B. Taxonomy-non-eligible activities																				
CapEx of Taxonomy-non-eligible activities (B)	913	30																		
Total (A + B)	3,087	100																		

Operating expenditure (OpEx)

Economic activities	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria						DNSH criteria ("Do No Significant Harm")						Minimum safeguards	Taxonomy-aligned proportion of OpEx 2023	Taxonomy-aligned proportion of OpEx 2022	Category (enabling activity)	Category (transitional activity)	
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
	€ million	in %	in %	in %	in %	in %	in %	in %	in %	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	in %	in %	E	T
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0															0	n.a.		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.1. Manufacture of renewable energy technologies	171	7																		
3.5. Manufacture of energy efficiency equipment for buildings	59	2																		
3.6. Manufacture of other low carbon technologies	1,053	42																		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	1,283	51															-	n.a.		
Total (A.1 + A.2)	1,283	51															0	n.a.		
B. Taxonomy-non-eligible activities																				
OpEx of Taxonomy-non-eligible activities (B)	1,220	49																		
Total (A + B)	2,503	100																		



Our responsibility along the supply chain¹

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

TARGETS

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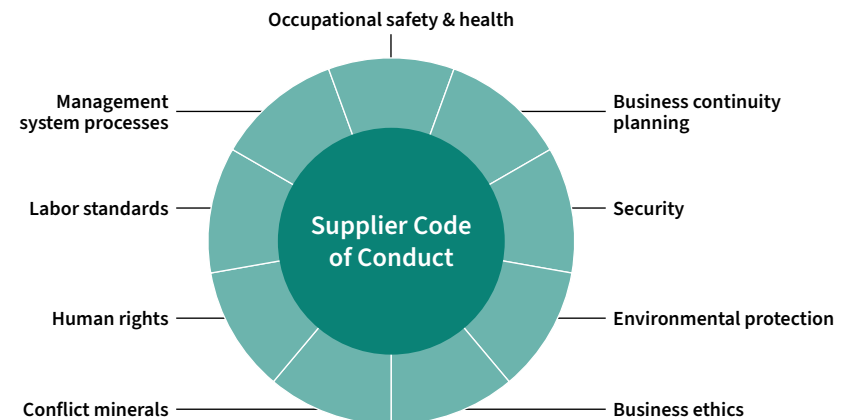
Sustainability as an integral part of supplier management

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. With the additions made to our Supplier Code of Conduct in the 2023 fiscal year, we ensure that the current versions of guidelines are reflected therein. The requirements described in our Supplier Code of Conduct cover the topics shown in [CHART 29](#). 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. Our main suppliers are also contractually obliged 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, all our suppliers are managed centrally in a supplier management portal where data is updated as necessary.

CHART 29 Supplier Code of Conduct



¹ Following the acquisition of Syntronix Asia, the procurement processes/definitions are currently still in the harmonization phase and will apply once the harmonization phase has been completed. As a result, the information published in this chapter does not include data from Syntronix Asia.

We offer our suppliers a central portal for the registration and automated update of relevant information such as compliance, sustainability, environmental protection, occupational safety, labor standards and social standards. Additionally, this portal allows suppliers to submit updated certifications. We encourage all suppliers to be certified in accordance with international standards.

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 ten 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. This procedure supports a fast and up-to-date assessment. The annual re-evaluation of selected suppliers serves to determine whether or not corrective measures need to be initiated. In the 2023 fiscal year, more than 360 strategic suppliers, representing over 70 percent of the procurement volume, were re-evaluated with regard to the topics mentioned.

In the 2023 fiscal year, we enhanced our supply chain risk management system with regard to human rights and environmental protection, and strengthened our collaboration with platform providers IntegrityNext and RBA. In addition to the annual re-evaluation of our strategic suppliers, we conducted a risk analysis here focusing on human rights and environmental protection. A review of compliance with our requirements was conducted for more than 600 other suppliers who could present a high potential risk in the area of environmental protection and human rights as a result of their activities in certain countries or industries. Where specific risks were identified for suppliers on the basis of further information, preventive and corrective

measures were implemented. These could be in the form of a medium-term improvement plan we agree with the supplier or in the form of training. By working together with IntegrityNext and RBA, we are playing an active role in industry collaboration designed to strengthen international standards in global supply chains.

Environmental sustainability and climate protection in the supply chain

With the publication of our climate targets in the 2020 fiscal year, an initiative was launched where we work together with suppliers to drive forward environmental sustainability and climate protection in the supply chain. The main priorities of this initiative are scope 3 emissions and the circular economy. In the 2023 fiscal year, for example, at our site in Villach (Austria) and in close cooperation with partners in the supply chain, we brought a new production plant for green hydrogen into operation which will prevent transport emissions. Another example for the active transition of the supply chain to more sustainable solutions is in the area of fleet management where, as a result of the further amendment to the company car guidelines in the 2023 fiscal year, company cars with a lower carbon footprint are being promoted even more strongly, with a focus on a gradual transition to electric vehicles.

Going beyond contractually agreed environmental requirements with suppliers, supplier performance in the area of CO₂ management was a criterion in the re-evaluation of selected suppliers in the 2023 fiscal year. In addition, the communicated targets and reduction measures of our principal suppliers were analyzed, and focus dialogs were conducted with our suppliers on the topic of climate strategy. Our collaboration with our suppliers on the subject of climate protection and Infineon's climate protection strategy were also honored in the 2023 fiscal year by Infineon's inclusion in the top ranking for supplier engagement published by the non-profit organization CDP (CDP Supplier Engagement Leaderboard).

Infineon products without DRC¹ 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

1 DRC: Democratic Republic of the Congo.

“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).

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 OECD¹ 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 2023 fiscal year, Infineon identified 100 percent of its potential suppliers of conflict minerals and evaluated them with regard to their use of conflict minerals. Based on the full response of our suppliers and in accordance with the requirements of the

OECD guidance, we can duly state that all 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.

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 all suppliers of material containing cobalt in the course of our investigation in the 2023 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.



Corporate citizenship

Infineon is currently engaged in corporate citizenship activities in 21 countries.

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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.

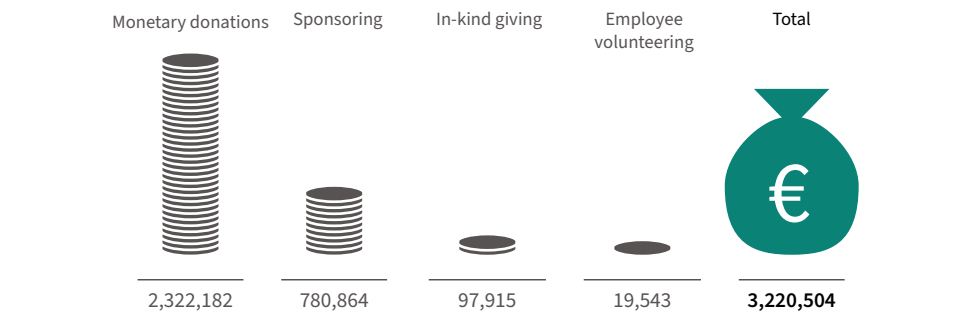
These focus areas of engagement are contained in our Corporate Citizenship and Sponsoring Rule. This Rule ensures that our corporate citizenship activities are performed transparently and in line with our ethical principles. We have also appointed a citizenship representative for this topic at all our 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 277 activities worldwide in the 2023 fiscal year. 17 percent of the donations were local investments in the communities with which we interact, and 83 percent were donations to charitable purposes.

Our corporate citizenship expenditure in the 2023 fiscal year is illustrated in [CHART 30](#).

CHART 30 Corporate citizenship expenditure 2023

in €



Examples of the corporate citizenship activities of Infineon in the 2023 fiscal year



Environmental Sustainability

- › Support for planting trees in Warstein to counter the massive forest dieback caused by bark beetles (Germany)
- › Support for cleaning the coast in Porto to prevent the spread of invasive plant species (Portugal)
- › Support for the Zentrum für Umwelt und Kultur e. V. (ZUK), a center for the environment and culture, to preserve the moor, an essential ecosystem for climate protection (Germany)



Education for Future Generations

- › Support for the Hackaburg 2023, a hackathon with the motto “Goes Green” (Germany)
- › Support for the Greene Scholars Program to promote higher education in STEM¹ subjects (USA)
- › Support for the Kedah STEM Fair & Expo 2023, promoting scientists and engineers of the future (Malaysia)
- › Support for the Great Engineer Camp at Jiangnan University, a platform for training students to be engineers of the future (Mainland China)



Local Social Needs

- › Donation to the St. Jude Children’s Research Hospital to support research and treatment for children with cancer (USA)
- › Donations to various food banks and soup kitchens in Warstein to support the hungry (Germany)
- › Donation to Shenzhen Futian Charity Association to support its efforts for rural revitalization (Mainland China)
- › Aid for the Banca de Bine Association to reintegrate children from challenging social backgrounds into society (Romania)



Responding to Natural and Humanitarian Disasters

- › Support for those affected by the earthquake in Syria and Turkey
- › Aid for the American Red Cross (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)
- › Autonomous Vehicle Computing Consortium (AVCC)
- › 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 2023 fiscal year	Status	Description
<p> Overall goals</p> <p>Set ambitious climate protection and diversity goals as part of the compensation system for the Management Board for the 2023 fiscal year.</p> <p>Incorporate the main sites formerly operated by Cypress into the integrated management system IMPRES by the end of the 2023 fiscal year by obtaining external certification of the sites.</p>	<ul style="list-style-type: none"> ● ● 	<p>Climate protection and diversity goals were defined as part of the compensation system for the Management Board.</p> <p>All the main sites formerly operated by Cypress were incorporated into our IMPRES matrix certification in the 2023 fiscal year on the basis of external audits.</p>
<p> Business ethics</p> <p>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.</p>	<ul style="list-style-type: none"> ● 	<p>The risk assessment process was expanded to include a two-stage model, whereby certain high-risk companies and sites were identified at Group level (1st stage). These high-risk companies were assessed in detail at local level (2nd stage) using structured questionnaires, and the risks identified there were transferred to the compliance program.</p>
<p> Human rights</p> <p>Introduce a declaration of principles on human rights as part of Infineon's CSR strategy.</p> <p>Gradually introduce training on human rights for our employees worldwide.</p>	<ul style="list-style-type: none"> ● ● 	<p>In the 2023 fiscal year, we published Infineon's Human Rights Policy. This supports our CSR framework with a focus on human rights.</p> <p>In the 2023 fiscal year, we rolled out a separate and global human rights training program. This includes topics such as an explanation of fundamental human rights, the role of companies and international organizations, and the measures Infineon is taking to respect human rights.</p>
<p> Human resources management</p> <p>In the long term, we want the proportion of women in management positions to reach 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.</p> <p>The existing global target of 80 percent overall employee satisfaction remains unchanged for the time being. The measures we are adopting to achieve this target include continuing to develop leadership skills and ensuring balanced workloads.</p>	<ul style="list-style-type: none"> ① ● 	<p>The proportion of women in middle and senior management positions in the 2023 fiscal year was 17.1 percent. This is therefore a further step towards achieving our long-term target, as it was a slight improvement on the prior fiscal year.</p> <p>In the 2023 fiscal year, we achieved the global target we had set ourselves, with 85 percent of employees giving a positive response to the questions "Would you recommend Infineon as a great place to work?" and "How happy are you working at Infineon?" in our engagement pulse check. This survey of employees is conducted twice a year using the People Success Platform GLINT.</p>

● Target achieved ① In progress ○ Target not yet achieved



Targets for the 2023 fiscal year	Status	Description
<p> Human resources management</p> <p>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.</p>	<p>🕒</p>	<p>In the course of the Leadership Dialogs, managers receive structured feedback from their employees. Currently, around 82.2 percent of managers have conducted their Leadership Dialogs in the past two years. We consider it important to ensure that these dialogs about targets continue to take place and that the percentage of dialogs conducted continues to increase. We therefore actively communicate with managers on this subject and have now also introduced an automated calendar reminder for the next Leadership Dialog. These reminder functions are currently being enhanced. We are constantly expanding and training our pool of moderators, in order to provide the best possible support for our managers.</p>
<p> Protection of our employees</p> <p>Introduce a global digital software solution to report and process work-related accidents and commuting accidents at all the main production sites and at the corporate headquarters Campeon (Germany).</p>	<p>●</p>	<p>In the 2023 fiscal year, a digital software solution to report and process work-related accidents and commuting accidents was developed, so that the main production sites and the corporate headquarters Campeon will be able to provide reports on this subject at the beginning of the 2024 fiscal year.</p>
<p> Environmental sustainability and climate protection</p> <p>Carbon neutrality</p> <p>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 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 2019¹ calendar year.</p>	<p>🕒</p>	<p>By the end of the 2023 fiscal year, our emissions were already 56.8 percent lower than the emissions in the base year 2019. We are therefore meeting the timetable we set for achieving our climate targets.</p>
<p>Energy management</p> <p>Implement projects and measures in the 2023 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.</p>	<p>●</p>	<p>In the 2023 fiscal year, we implemented measures that generated energy savings of more than 34 gigawatt hours.</p>
<p>Greenhouse gas emissions</p> <p>Implement measures that will generate total emission savings of 50,000 tons of CO₂ equivalents by the end of the 2024 fiscal year.²</p>	<p>🕒</p>	<p>The implementation of the measures is progressing as planned. In the 2023 fiscal year, the installation of additional PFC abatement systems brought into operation led to a reduction of 24,101 tons of CO₂ equivalents.</p>

● 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 2023 fiscal year	Status	Description
 Environmental sustainability and climate protection		
Water management		
Due to the increasing complexity of our products, the use of water in manufacturing increases too. Regardless of this growing product complexity, our aim is to keep our specific water consumption below 8.5 liters per square centimeter manufactured wafer.	●	Our specific water consumption was around 8.1 liters per square centimeter manufactured wafer.
Identify and evaluate the main water-saving measures of the last five fiscal years in order to continue to improve our water management and to derive quantified reduction targets.	●	We set up a group to share ideas about the main sites offering significant potential savings.
Waste management		
Regardless of growing product complexity, which typically requires an increase in the use of raw materials and supplies, our aim is to keep specific waste generation below 27.5 grams per square centimeter manufactured wafer. This is a long-term goal that is in accordance with our sustainability strategy.	●	Our specific waste generation was around 21.5 grams per square centimeter manufactured wafer.
Identify and evaluate the main waste-saving measures of the last five fiscal years in order to continue to improve our waste management and to derive quantified reduction targets.	●	We set up a group to share ideas about the main sites offering significant potential savings.
 Contribution through sustainable products		
Update the calculation of the Infineon carbon footprint, considering all the segments.	●	The Infineon carbon footprint was updated in the 2023 fiscal year and is published in this report.
 EU Taxonomy		
Analyze the options for automated evaluation and interpretation of the information required by the EU Taxonomy.	●	The analysis was conducted, and implementation is taking place in a two-stage process for the assessment of Taxonomy eligibility and Taxonomy alignment.

● Target achieved ● In progress ○ Target not yet achieved

Targets for the 2023 fiscal year	Status	Description
 Our responsibility along the supply chain		
<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>In the 2023 fiscal year, an evaluation was conducted of 100 percent of suppliers of conflict minerals with regard to the origin and use of conflict minerals. The evaluation concluded once more that the Infineon supply chain is DRC conflict-free. The results of the evaluation are made available to our customers in the form of a declaration (Conflict Minerals Reporting Template).</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>	●	<p>In the 2023 fiscal year, a due diligence assessment was conducted of 100 percent of suppliers of products containing cobalt with regard to the origin and use of products containing cobalt. 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).</p>
<p>Implement an enhanced risk management system for human rights and environmental protection in the supply chain.</p>	●	<p>The planned enhancement of our risk management system for human rights and environmental protection in the supply chain was implemented. Among other things, additions were made to the Infineon Supplier Code of Conduct in the 2023 fiscal year, and the role of sustainability criteria in the supplier selection process was reinforced. A risk analysis to identify and mitigate risks relating to environmental protection and human rights throughout the supply chain was also conducted.</p>
<p>Introduce training in the procurement organization to raise awareness of risks in the areas of environmental protection and human rights.</p>	●	<p>In addition to worldwide training on the topic of human rights, 13 hours of live training sessions were provided within the procurement organization, focusing on human rights and environmental protection. More than 78 percent of employees in procurement took advantage of this training opportunity.</p>
<p>Analyze the CO₂ reduction targets and measures of all our major suppliers.¹</p>	●	<p>The CO₂ reduction targets and measures of all our major suppliers were analyzed based on data from the CDP Supply Chain Program and additional research and discussions. The data offer a clear basis for collaboration and supplier development in the area of climate protection.</p>
 Corporate citizenship		
<p>Implement best practice sharing sessions and training with the corporate citizenship representatives to follow a proposal for the distribution of donations by focus areas as part of our corporate citizenship strategy in the 2023 fiscal year.</p>	●	<p>In the 2023 fiscal year, best practice sharing sessions and training took place.</p>


● Target achieved ● In progress ○ Target not yet achieved

¹ Major suppliers are here taken to mean suppliers who together account for more than 50 percent of the scope 3 emissions.

Targets for the 2024 fiscal year

	Overall goals	<p>Set climate protection and diversity goals as part of the compensation system for the Management Board for the 2024 fiscal year.</p> <p>Introduce a new digital platform for non-financial reporting; increase resilience and reduce the manual workload for data transfer by 50 percent.</p>
	Business ethics	<p>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.</p>
	Human rights	<p>Conduct a risk analysis of human rights using self-assessments or audits at 100 percent of IMPRES certified sites.</p>
	Human resources management	<p>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.</p> <p>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.</p> <p>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.</p>
	Protection of our employees	<p>Introduce a global training campaign on our seven Golden Rules of Safety, with a different focus in each fiscal year.</p>





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.

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

	<p>Contribution through sustainable products</p>	<p>Update the calculation of the Infineon carbon footprint; save at least 125 million tons of CO₂ equivalents with our products during their useful life.</p>
	<p>EU Taxonomy</p>	<p>Implement automated processes for the evaluation and interpretation of information relating to Taxonomy eligibility.</p>
	<p>Our responsibility along the supply chain</p>	<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>
	<p>Corporate citizenship</p>	<p>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.</p>