Infineon Technologies - Global Tax Policy

Infineon is a world leader in semiconductor solutions that make life easier, safer and greener. While climate change is the biggest challenge of our time, Infineon combines entrepreneurial success with responsible behavior.

Infineon's climate strategy is based on two pillars: we make a decisive contribution to decarbonization through our innovations on the product side. On the other hand, we are reducing our own footprint. Infineon has committed itself to becoming CO_2-neutral by 2030. Already by 2025, emissions are to be reduced by 70 percent compared with the base year 2019.

Decarbonization and digitalization will profoundly change the world we live in over the next decade. We are actively driving this change, while at the same time seizing these opportunities to generate profitable growth.

People from more than 100 countries make Infineon a successful international company – with their skills, their enthusiasm and the courage to challenge the status quo and open up new horizons.

Our business activities form the basis of a substantial amount and variety of taxes. We pay corporate income taxes, production taxes, stamp duties and other taxes. In addition, we collect and pay employee taxes, not to mention indirect taxes such as VAT. The taxes we collect and pay form a significant part of our economic contribution to the countries in which we operate. The payment of tax, therefore, contributes to building a sustainable future.

This Tax Policy forms part of the larger framework of governance, risk and compliance. Reference is made to our Business Conduct Guidelines as set out in our CSR policy, and to the UN Global Compact, to which we have made a commitment to adhere to.

We are committed to compliance with the laws and practices of the countries in which we operate. Compliance for us means paying the right amount of tax in the right place at the right time. This commitment is underpinned by the following principles:

1. Professional Conduct

When dealing with tax matters we will aim to:

- Observe all applicable laws, rules, regulations and disclosure requirements and ensure no tax avoidance is performed e.g., by way of engaging with secrecy jurisdictions. Therefore, we do not operate in any of the countries listed on the EU's list of non-cooperative jurisdictions.[1] If entities in these jurisdictions become part of the Infineon Group through an acquisition, we will look to liquidate the respective entities as soon as reasonably possible.
- Apply diligent professional care and judgment to arrive at well-reasoned conclusions
- Ensure all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved
- The Group aims for certainty on tax positions it adopts but where tax law is unclear or subject to interpretation, written advice or confirmation will be sought as appropriate to ensure that our position would, more likely than not, be settled in our favor
- Where the tax treatment of an item is so uncertain and/or unquantifiable preventing the assessment of more likely than not, filing positions are subject to robust risk assessment and supported by full disclosure

[1] As of 4 October 2022, the EU list is composed of:

American Samoa, Anguilla, Bahamas, Fiji, Guam, Palau, Panama, Samoa, Trinidad and Tobago, Turks and Caicos Islands, US Virgin Islands, Vanuatu

- Develop and foster good working relationships with tax authorities, government bodies and other related third parties
- Undertake all dealings with tax authorities, government officials, ministers and other third parties in a professional, courteous and timely manner
- Be compliant with all anti-bribery legislation

2. Commercial Rationale

The commercial needs of the Group are paramount and all tax planning will be undertaken in this context. All transactions must therefore have a business purpose or commercial rationale. Intra-group transactions are entered into on an arm's length basis that reflect the business and commercial realities of the transaction and adhere to the relevant guidance issued by the Organisation for Economic Co-operation and Development (OECD) with regard to international tax matters. We, therefore, will not engage in the artificial transfer of profits and value created to low tax jurisdictions.

Due consideration will be given to the Group's reputation, brand, corporate and social responsibilities when considering tax initiatives, as well as the applicable legal and fiduciary duties of directors and employees of the Group. Consideration of these duties and responsibilities will form part of the overall decision-making and risk assessment process.

3. Responsibilities

Compliance with all relevant legal disclosure and approval requirements will be adopted and all information will be clearly presented to the tax authorities or other relevant bodies, as appropriate.

Openness, honesty and transparency will be paramount in all dealings with the tax authorities and other relevant bodies.

Infineon's commitment to tax compliance is underpinned by the maintenance of a global tax control framework.

On all projects the required approvals and procedures detailed in the Tax Risk Strategy, the Group Tax Guideline and the Organizational Guideline for the Tax Department will be complied with.

In addition, the Infineon values and any other relevant codes and guidelines are separate requirements which apply to all members of staff, including those engaged in tax matters.

4. Board Ownership & Oversight

This tax policy is aligned with our Business Conduct guidelines and is approved and owned by the Management Board of the Infineon Technologies Group.