

Report of the Supervisory Board to the Annual General Meeting



Dr. Herbert Diess
Chairman of the Supervisory Board

Ladies and Gentlemen,

The times we live in are being affected by so much change. What sets us apart at Infineon is that we see this as an opportunity and are actively working to shape that change. Our forward-looking technologies and products are making an important contribution towards halting (or at least slowing down) climate change and towards using digitalization with human beings in mind. I can see how Infineon employees around the world are playing their part with enthusiasm, skill and a positive mindset. This is not only making us an innovative high-tech company but also ensures sustainable economic success. The 2023 fiscal year has demonstrated this once again. We want you, dear shareholders, to be able to participate in this success in the usual way and will therefore submit a proposal jointly with the Management Board to the Annual General Meeting for another increase in the dividend to €0.35 per share entitled to a dividend. For many years, Infineon's success story has been built on outstanding technological and business performance combined with added value for society as a whole, and I would be delighted if you continued to accompany us on our way.

Main activities of the Supervisory Board

During the 2023 fiscal year, the Supervisory Board again performed its duties with utmost diligence in accordance with the law, Infineon's Articles of Association and the Supervisory Board's own rules of procedure. Its work was based in particular on reports presented by the Management Board at Supervisory Board and committee meetings regarding all issues relevant to Infineon. For the most part, the focus was again on corporate strategy, current business performance and the economic situation, financial and investment planning, and the risk profile, as well as issues relating to risk management and compliance. In addition, the Supervisory Board addressed the replacement of the Chairman of the Supervisory Board and other personnel changes on the Supervisory Board, as well as preparing for the appointment of a new Management Board member responsible for digital transformation. The Supervisory Board was provided with written quarterly reports on the economic environment, Infineon's business performance, including investment and acquisition activities, key financial data, risks and opportunities, and major areas of litigation, as well as other specific topics of relevance. Between quarterly reports, the Management Board also provided the Supervisory Board with additional information in the form of monthly reports on current business performance and developments.

As Chairman of the Supervisory Board, I was also in regular contact with both the Chief Executive Officer and other members of the Management Board between meetings. The CEO kept me well-informed at all times of other key events for Infineon. My working relationship with the CEO was respectful, constructive and based on trust.

In the 2023 fiscal year, the full Supervisory Board convened nine times, holding six ordinary meetings and three extraordinary meetings. Additionally, two resolutions were passed on the basis of written communication. The attendance rate at Supervisory Board meetings was just under 98 percent; Diana Vitale was excused from attending one meeting and Dr. Manfred Puffer from two meetings. The attendance rate at the Supervisory Board's committee meetings was 100 percent. Details of the individual attendance record of Supervisory Board members at full Supervisory Board and committee meetings are provided in a table in the Statement on Corporate Governance.

www.infineon.com/declaration-on-corporate-governance

The three extraordinary meetings of the full Supervisory Board were conducted virtually, and all the ordinary meetings were face-to-face meetings. Of the six meetings of the Executive Committee, two were virtual. One of the five meetings of the Investment, Finance and Audit Committee and four of the six meetings of the Nomination Committee were in a virtual format. All the meetings of the Strategy and Technology Committee, without exception, were face-to-face meetings.

In preparation for ordinary Supervisory Board meetings, separate preliminary meetings were held for both the shareholder representatives and the employee representatives. The Supervisory Board and the Investment, Finance and Audit Committee also convened regularly without the presence of the Management Board.

Corporate strategy

The 2023 fiscal year was characterized by a variety of strategic projects that were closely monitored and then all approved by the Supervisory Board:

- › First, the Supervisory Board approved a more ambitious target operating model and thereby an upward revision of Infineon's long-term financial targets. Like the Management Board, the Supervisory Board is convinced that decarbonization and digitalization will ensure structurally increasing demand for semiconductors and that, thanks to its strategic focus, Infineon will benefit disproportionately from this development.
- › In addition, the past fiscal year has involved major investment – the construction of a new factory in Dresden (Germany), significant expansion of manufacturing in Kulim (Malaysia) and, finally, the participation of Infineon in a joint venture with TSMC, Bosch and NXP to build a modern semiconductor fab, also in Dresden. Infineon is therefore creating the production capacity required to reliably meet growing demand from its customers over the long term. Moreover, the investment in Dresden is an important milestone that will reinforce the European semiconductor ecosystem and strengthen supply chain resilience in Europe. Accordingly, the Supervisory Board was satisfied that these investments were necessary for the business and made economic sense and approved the plans.

- › Finally, the Supervisory Board examined measures relating to the Group's inorganic growth in promising new fields and granted its approval for the acquisition of the Canadian company GaN Systems, the technological leader in the development of GaN-based solutions for power conversion. The acquisition will significantly strengthen Infineon's leading position in power systems. The Supervisory Board also agreed on strategic portfolio management measures with the Management Board and endorsed the sale of its HiRel (High Reliability) DC-DC converter business to Micross Components, a transaction that enables Infineon to focus in the future on those HiRel business areas that benefit from its leading semiconductor technologies.

In the 2023 fiscal year, separately from the examination of specific strategic projects, the Supervisory Board also considered various aspects of Infineon's corporate strategy at a daylong strategy meeting that took place on the Dresden site. Topics discussed included strategic fundamentals, portfolio management, parameters for organic and inorganic growth, geopolitical issues, financial targets and, last but not least, Infineon's sustainability strategy.

Personnel matters relating to the Management Board

In the course of the fiscal year, Constanze Hufenbecher, Management Board member and Chief Digital Transformation Officer (CDTO), informed the Supervisory Board of her intention not to renew her contract which was due to expire in April 2024. The Supervisory Board accepted her decision with regret. Immediately thereafter, the Supervisory Board initiated the process of finding a replacement for the CDTO position on the Management Board. Based on the Supervisory Board's continuous succession planning and with the support of a human resources consultant, an extensive search process was launched. Infineon was eventually able to recruit Elke Reichart, an experienced digitalization expert. Elke Reichart was appointed as a member of the Management Board for three years with effect from 1 November 2023. Constanze Hufenbecher resigned from the Management Board with effect from 31 October 2023. The Supervisory Board thanks Constanze Hufenbecher for her achievements and personal commitment and wishes Elke Reichart a successful start in her new role.

Management Board remuneration

In November 2022, the Supervisory Board established a new remuneration system for the Management Board. This created a remuneration structure with higher variable remuneration components, whereby the Management Board remuneration will in the future be even more closely linked with the success of the business. Moreover, the maximum remuneration for longer-serving Management Board members will be increased, giving the Supervisory Board more scope to offer experienced Management Board members competitive remuneration. The restriction of the STI modifier to extraordinary developments brought the system more in line with the provisions set out in the German Stock Corporation Act (AktG) and the German Corporate Governance Code. Finally, the opportunity was provided to weight ESG targets in the long-term variable remuneration even more heavily in the future. At the Annual General Meeting in February 2023, this new remuneration system for the Management Board was approved by a large majority. It was thereupon implemented in all Management Board employment contracts as of 1 April 2023.

Further information on Management Board remuneration is available in the detailed Remuneration Report. As in the previous year, the Management Board and the Supervisory Board decided to ask the auditors to perform an additional review of the content of the Remuneration Report in addition to their formal audit of the report. KPMG issued an unqualified audit opinion on the Remuneration Report.

Litigation

The Supervisory Board was regularly provided during the 2023 fiscal year with in-depth information regarding major legal disputes, which it then discussed at length with the Management Board. These included, in particular, the legal dispute with the insolvency administrator of Qimonda AG pertaining to alleged residual liability claims, which has been ongoing for years.

Supervisory Board topics

Personnel matters relating to the Supervisory Board

Dr. Wolfgang Eder and Hans-Ulrich Holdenried resigned from the Supervisory Board with effect from the end of the Annual General Meeting on 16 February 2023. Based on a proposal by the Supervisory Board, Klaus Helmrich and I were newly elected to the Supervisory Board. At its meeting immediately after the Annual General Meeting, the Supervisory Board elected me as the new Chairman of the Supervisory Board, as a member and the Chairman of the Strategy and Technology Committee, and as the Chairman of the Nomination Committee. I am grateful for this vote of confidence from Infineon's Supervisory Board and would like to take the opportunity here to thank once again Dr. Wolfgang Eder and also Hans-Ulrich Holdenried for their successful work over the past years.

Following the resignation of Géraldine Picaud from the Supervisory Board at the beginning of 2023, Ute Wolf was appointed as a member of the Supervisory Board by court order in April 2023 and elected by the Supervisory Board as a member of the Investment, Finance and Audit Committee. Until shortly before her appointment by Infineon, Ute Wolf was the Chief Financial Officer of a public limited company listed in Germany. In addition, she has already spent several years as the Chair of audit committees of listed companies. She therefore increases the level of financial expertise on the Supervisory Board. At the Annual General Meeting to be held in February 2024, the Supervisory Board will propose that Ute Wolf be elected to the Supervisory Board for a regular four-year term of office.

Basic and ongoing training

Supervisory Board members are responsible for undertaking any basic or ongoing training considered necessary to perform their duties, and they receive appropriate support from Infineon to do so. In-house information events are held to provide targeted training. In the 2023 fiscal year, for example, events took place that covered the EU Taxonomy and governance topics as well as current regulatory developments affecting the Supervisory Board. As part of the onboarding process for new Supervisory Board members, Infineon also conducts comprehensive briefings covering a broad range of topics, including its individual operating segments, the principles and key elements of its corporate strategy, investment planning and its manufacturing strategy.

Committee work

The Supervisory Board's various committees are responsible for drawing up resolutions and preparing other major topics that need to be dealt with by the full Supervisory Board. Moreover, the Supervisory Board has delegated certain decision-making powers to its committees. The chairpersons of each committee are required to report on committee meetings at the next full Supervisory Board meeting.

Mediation Committee

The Mediation Committee did not need to convene during the reporting year.

Nomination Committee

The Nomination Committee held six meetings in total during the 2023 fiscal year. The topics discussed at the meetings included the replacements for Supervisory Board positions referred to above following the resignations of Dr. Wolfgang Eder, Hans-Ulrich Holdenried and Géraldine Picaud. Klaus Helmrich and I were elected at the 2023 Annual General Meeting and Ute Wolf was appointed by the court. The committee also prepared the nomination for election at the 2024 Annual General Meeting of Ute Wolf, as well as of Prof. Hermann Eul, an acknowledged expert in semiconductors.

Executive Committee

At its ordinary meetings, the Executive Committee focused primarily on preparing the Supervisory Board's resolutions to determine the level of variable remuneration to be paid to Management Board members. These included, firstly, determining the Short-Term Incentive (STI) target achievement levels for the 2022 fiscal year and setting new target values for the 2023 fiscal year and, secondly, determining the STI modifier criteria, confirming the ESG targets for limiting carbon emissions and increasing diversity that are relevant for the Long-Term Incentive (LTI) and confirming the composition of the TSR (Total Shareholder Return) peer group. The topics discussed at the extraordinary meetings were the personnel and remuneration issues referred to above.

Investment, Finance and Audit Committee

The Investment, Finance and Audit Committee held five ordinary meetings in the 2023 fiscal year.

Its activities centered on monitoring the financial reporting process, reviewing the half-year and quarterly financial statements, conducting the preliminary audit of the Separate Financial Statements, Consolidated Financial Statements and Combined Management Report for Infineon Technologies AG and the Infineon Group, and discussing the audit reports with the auditor. The Committee also conducted an assessment of the quality of the audit. In addition, the Committee examined Infineon's financial and investment budget. It also received regular reports on the internal control, internal audit, risk management and compliance management systems and deliberated on their appropriateness and effectiveness. The Committee was also provided with continuous updates on additional risks and significant legal disputes.

The Committee's recommendation to the full Supervisory Board to propose to shareholders at the 2023 Annual General Meeting that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich (KPMG) be elected for the last time as Company and Group auditor was based on a Declaration of Independence obtained from KPMG as well as an analysis of the non-audit services provided by KPMG. There were no indications of conflicts of interest, grounds for exclusion or other lack of independence on the part of the auditor. The Committee also considered the fee arrangements, issued contracts for the relevant audit engagements and defined supplementary areas for audit emphasis.

Representatives of the auditor attended all the meetings of the Investment, Finance and Audit Committee and reported in detail on the audit procedures performed. At each of the meetings, there was also a closed session involving the auditor and the members of the Investment, Finance and Audit Committee without the Management Board being present. This also applied to the full Supervisory Board meeting that considered the financial statements.

The Committee also devoted time to the Remuneration Report and the separate combined Non-Financial Report and, in this context, considered other sustainability issues, including the German Supply Chain Act (LkSG).

Strategy and Technology Committee

The Supervisory Board's Strategy and Technology Committee convened three times during the reporting year. The Management Board provided it with reports on a number of topics, including key aspects of the macroeconomic market and competitive environment and the progress of the Group's digital agenda. Other areas discussed at committee meetings were strategic considerations with regard to the expansion of manufacturing capacity and the value contribution of software at Infineon.

Corporate Governance

Declaration of Compliance 2023

In the Declaration of Compliance dated November 2023, the Management Board and Supervisory Board jointly declared that, since the submission of the last Declaration of Compliance in November 2022, all the recommendations of the German Corporate Governance Code contained in the version dated 28 April 2022 have been complied with and will continue to be complied with in the future.

The actual wording of the Declaration of Compliance 2023 and all previous Declarations of Compliance are available on Infineon's website.

www.infineon.com/declaration-of-compliance

Self-assessment by the Supervisory Board

The Supervisory Board regularly assesses how effectively it performs its duties. It conducted such a self-assessment in the 2023 fiscal year. Given that in the 2022 fiscal year, the self-assessment was carried out with the support of an external consultant (including personal interviews with all the members of the Management Board and the Supervisory Board), Infineon reverted in the 2023 fiscal year to the use of an internal questionnaire. The results of the questionnaire were discussed in the course of a Supervisory Board meeting in August 2023 and a full-day Supervisory Board workshop in November 2023. Issues discussed included reinforcing the expertise of the Supervisory Board in the area of semiconductors, which led to Prof. Hermann Eul being nominated to the Supervisory Board, cooperation between the committees

and the full Supervisory Board, the framework for the Supervisory Board's engagement with strategic topics, and the parameters of the Supervisory Board's continuous succession planning for Management Board positions.

Skills and expertise profile and list of objectives for the Supervisory Board/qualifications matrix

The Supervisory Board decided to make a modification to the skills and expertise profile and list of objectives. One of the reasons for this was to make explicit reference in the skills and expertise profile to sustainability expertise. It was also decided to modify the age limit of 70 previously set for Supervisory Board members to the extent that, in the future, it will no longer be simply a rule but a strict limit. Moreover, the Supervisory Board looked in detail at the qualifications matrix published in the Statement on Corporate Governance.

Examination of potential conflicts of interest

The members of the Management Board and of the Supervisory Board are required to disclose any conflicts of interest to the Supervisory Board without delay. One Supervisory Board member disclosed a potential conflict of interest in respect of an M&A project. Thereafter, this Supervisory Board member was not given access to the relevant documents and also did not participate in the meetings and decision-making process of the Supervisory Board in this respect.

Prior to Management Board members assuming sideline activities, particularly supervisory board mandates outside the Company, the German Corporate Governance Code requires that permission be granted by the Supervisory Board. No conflicts of interest were discernible in any of the sideline activities performed. In fact, they were all in Infineon's best interests and were therefore approved by the Supervisory Board and/or Executive Committee.

Further information on the topic of corporate governance is available in the Statement of Corporate Governance.

www.infineon.com/declaration-on-corporate-governance

Rules of procedure for the Supervisory Board and the Management Board

All the rules of procedure for the Supervisory Board and the Management Board are available on the Infineon website.

www.infineon.com/cms/en/about-infineon/investor/corporate-governance/articles-of-association/

Related party transactions

Publicly listed companies such as Infineon require the approval of the Supervisory Board or one of its committees before entering into certain transactions with related parties. In order to identify related party transactions that require approval and to treat them in accordance with the law, Infineon has implemented a procedure based on guidelines that apply worldwide across the Group. The Supervisory Board has delegated responsibility in this area to the Investment, Finance and Audit Committee, particularly for resolutions requiring approval. There were no related party transactions requiring approval in the 2023 fiscal year.

Separate and Consolidated Financial Statements

KPMG audited the Separate Financial Statements of Infineon Technologies AG and the Consolidated Financial Statements as of 30 September 2023, as well as the Combined Management Report of Infineon Technologies AG and the Infineon Group, and issued unqualified opinions thereon.

The Half-Year Financial Report was also reviewed by KPMG. No issues were identified that might indicate that the condensed Interim Consolidated Financial Statements or the Interim Group Management Report were not prepared in accordance with the applicable provisions in all material respects.

KPMG has audited the Separate Financial Statements of Infineon Technologies AG and the Consolidated Financial Statements of the Infineon Group and reviewed the Interim Consolidated Financial Statements since the 1999 fiscal year (short fiscal year from 1 April 1999 to 30 September 1999). Martin Schmitt, the auditor responsible for the engagement, signed the auditor's report for the first time for the 2021 fiscal year (1 October 2020 to 30 September 2021) and Angelika Huber-Straßer, as co-signatory, for the first time for the 2023 fiscal year (1 October 2022 to 30 September 2023).

At the meeting of the Investment, Finance and Audit Committee held on 14 November 2023 and continued in a conference call on 21 November 2023, thorough discussions were held with the auditor regarding the Separate Financial Statements, the Consolidated Financial Statements, the Combined Management Report, the appropriation of profit and the auditor's findings. The Committee deliberated at length on the key audit matters disclosed in the auditor's report as well as on the related audit procedures. Based on the insights gained in the course of these deliberations, the Investment, Finance and Audit Committee resolved to suggest to the Supervisory Board that the financial statements drawn up and presented by the Management Board be approved and the proposed appropriation of profit agreed to.

The Separate Financial Statements, the Consolidated Financial Statements, the Combined Management Report, the Management Board's proposal for the appropriation of unappropriated profit (all prepared by the Management Board), and KPMG's long-form audit reports were all made available to the Supervisory Board at its meeting on 23 November 2023. At this meeting, the Chairman of the Investment, Finance and Audit Committee reported in depth on the corresponding recommendations of the Committee. In addition, all material issues relevant to the financial statements and the audit, including the key audit matters, were exhaustively discussed with the auditor and closely examined by the Supervisory Board. The examination also covered the proposal to pay a dividend of €0.35 per share entitled to dividend.

After detailed discussions, the Supervisory Board concluded that it had no objections to the financial statements and the audits performed by the auditor. In its opinion, the Combined Management Report complied with all legal requirements. The Supervisory Board also concurred with the assertions regarding Infineon's future development contained therein, as well as with the results of the audit of the financial statements. It therefore approved the Separate Financial Statements of Infineon Technologies AG and the Consolidated Financial Statements of the Infineon Group for the 2023 fiscal year. The Separate Financial Statements were adopted accordingly. The Supervisory Board also approved the Management Board's proposal for the appropriation of unappropriated profit.

Moreover, the Investment, Finance and Audit Committee and the full Supervisory Board deliberated on the combined separate Non-Financial Report for the year ended 30 September 2023 drawn up by the Management Board and the Remuneration Report prepared together with the Management Board. KPMG performed a reasonable assurance engagement for the Remuneration Report and a limited assurance engagement for some parts of the combined separate Non-Financial Report and a reasonable assurance engagement for other parts of that report. In both cases, KPMG issued an unqualified opinion thereon. The documents were carefully examined by

the Investment, Finance and Audit Committee at its meeting on 14 November 2023, which was continued in a conference call on 21 November 2023, and by the Supervisory Board at its meeting on 23 November 2023. The Supervisory Board approved the Remuneration Report and positively acknowledged the combined separate Non-Financial Report prepared by the Management Board.

The Supervisory Board wishes to thank all Infineon employees and the Management Board for their great commitment and their excellent performance in the 2023 fiscal year, which has again been a challenging year.

Neubiberg, November 2023
On behalf of the Supervisory Board



Dr. Herbert Diess
Chairman of the Supervisory Board