

Progress Report on the United Nations CEO Water Mandate 2020

Infineon's continuous support to water preservation and conservation can be seen in our environmental sustainability practices and especially in the efficient management of water at our production sites.

1. Our Own Business Activities

Efficient use of water resources is an increasingly important aspect of securing the future, and makes a valuable contribution to sustainability. Optimizing the efficient use of water resources has long been at the core of Infineon's sustainability strategy. For detailed information on resource and water conservation along with our water management target, please visit the pages 31 ff. and pages 43 ff. of the Report "Sustainability at Infineon - Supplementing the Annual Report 2020" (further "Sustainability at Infineon"): http://www.infineon.com/csr_reporting.

At our production sites we monitor the supply, discharge as well as the use of water. This allows us to implement the necessary measures to improve the efficient use of water resources.

- Our sites in Regensburg (Germany) and Villach (Austria) use groundwater to cool their process plants. Otherwise, this would be done with electricity-operated cooling aggregates. The cooling water is not polluted and can therefore be discharged after use into the original water body from which it originates without negative effects on the chemical parameters of the water source. Thanks to this water use, we are able to significantly reduce our electricity consumption.
- At our site in Villach (Austria), the former water facilities were adapted and modified in a three-year project (2017-2020 fiscal years). This will allow to use the natural resource water even better and more secure. The water is used for cooling purposes and to generate ultrapure water. Thus, water usage is much more sustainable.
- In order to reduce the withdrawal of fresh water, the water utilized can be purified so that it can be used several times. For example, our production sites in Temecula (USA) and Tijuana (Mexico) implement effective water recycling measures using reverse osmosis systems to successfully reduce the demand for fresh water.

Climate disasters like storms, floods, droughts, and water shortages could mean a considerable impact on our business operations. In order to identify and monitor those risks, our Business Continuity department carries out a risk identification assessment at all production sites every year, including the importance of the risks as well as the definition of the measures to be implemented. That way, whenever an incident occurs we are immediately able to verify whether any water supply source is affected and can immediately derive counter measures.

In April 2020, we did an assessment regarding water scarcity risks using the "Aqueduct Water Risk Atlas" (referring to Aqueduct 3.0 data) from World Resources Institute. With this, areas of high or extremely high risk of water scarcity can be identified. As result only two sites are in these categories: Temecula (USA) and Tijuana (Mexico), which represents 0.98 percent of our total water withdrawal. These sites use only water provided by local providers. In order to reduce the fresh water need, both sites are performing effective water recycling measures.

2. Public Policy

Both the supply of fresh water as well as the disposal of wastewater occurs at all sites always in accordance with the local regulations and official requirements.

Furthermore, our environmental experts at our production sites as well as at corporate level are part of industry groups (e.g. European Semiconductor Industry Association (ESIA), US Semiconductor Industry Association (SIA) Water Group as well as part of interdisciplinary local working groups and take part in environmental information exchange forums.

3. Our Supply Chain

Our environmental requirements for suppliers are defined in our Principles of Procurement. It requires suppliers and service providers to implement an environmental management system, including the responsible use of water. This requirement is then evaluated as part of the supplier assessment which is performed on the initial step of the business relation. Assessments are repeated on a yearly basis. For further information on this topic, please see: http://www.infineon.com/cms/en/about-infineon/sustainability/csr-supply-chain/.

4. Collective Action & Corporate Citizenship

As part of our Corporate Citizenship and Sponsoring rule, Infineon has defined four strategic focus areas in that field. Two of these areas are linked to the support of projects related to water; "Environmental Sustainability" and "Responding to Natural and Humanitarian Disasters".

In the 2020 fiscal year, our site in Batam (Indonesia) has directly engaged with the local Chief of Community in order to contribute to the protection of the marine environment. We volunteered for the coastal clean-up and supported by donating material.

UNICEF¹, Infineon and other partners have built an environmentally friendly water supply system in the city of Yambio (South Sudan) to give the population safe and easy access to clean water.

Further information to our corporate citizenship activities is included here:

http://www.infineon.com/cms/en/about-infineon/sustainability/corporate-citizenship/.

5. Transparency

The data on our water management published in the Sustainability Report 2020 were audited by an independent auditor with "limited assurance". The limited assurance reports of the independent auditor are published at the end of the report "Sustainability at Infineon" as well as under: www.infineon.com/csr_reporting.

You will find the corresponding GRI Content Index on the pages 53 ff. of the report "Sustainability at Infineon", under: <u>http://www.infineon.com/csr_reporting.</u>

Our sustainability website includes more detailed information: www.infineon.com/sustainability.

¹ UNICEF: Originally United Nations International Children's Emergency Fund, now United Nations Children's Fund.

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