



Sustainability at Infineon

Supplementing the Annual Report 2021



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Introduction



Dr. Reinhard Ploss
Chief Executive Officer

Sustainability as a guideline

Around the globe, over the past fiscal year, the topic of sustainability has moved increasingly into the public consciousness. The social and economic effects of the coronavirus pandemic and climate change have been felt and are still being felt worldwide. They make clear that we are living in a connected world and that we need to work together to tackle global challenges. Major economies such as the USA, China and Europe have set themselves individual climate targets and have communicated the measures they plan to take. All around the world, business, government and society are pressing ahead with decarbonization programs. Electrification – based on electricity from renewable energy sources – and digitalization are creating new opportunities to reduce CO₂ emissions and to use resources efficiently.

With its products and solutions, Infineon enables digitalization, automation and electrification. Our technologies make life easier, safer and greener. They support climate protection and increase the energy efficiency of electricity producers and consumers, enable environmentally friendly mobility and ensure security in a connected world. This makes clear they are a key success factor in global sustainability efforts. Sustainability has been and remains part of our business model and the basis for our economic success.

Our corporate responsibility is not confined to our products. In our view, economics, ecology and social commitment need to be considered together to form the whole picture. Only through the interaction of these three are we able to achieve something in the long term. We make our contribution by accepting and meeting local, regional and global challenges. This is why we signed up to the UN Global Compact back in 2004. Its Ten Principles form the basis of our plans and actions.

In the past fiscal year, we established a new organizational structure to reflect our commitment to sustainability, in view of the global growth of the company. We set up a Corporate Social Responsibility (CSR) Board that consists of members of the Management Board and of Infineon's specialist departments and therefore represents a cross-section of our company and relevant topics. The CSR Board evaluates significant CSR content and determines its consequences for the actions of our company.

Already in 2020, we committed to making Infineon a carbon-neutral company within ten years, that is by the end of the 2030 fiscal year. This year, we have switched electricity consumption at our sites in Europe fully over to certified green electricity. This means that we are well on the way to achieving our interim target of reducing our CO₂ emissions by 70 percent by 2025, compared with 2019. By this we are making an active contribution to the implementation of the Paris Climate Agreement – directly in our own operations, but to an even greater extent with our products and solutions. These enable savings of more than 72 million tons of CO₂ during the use-phase of the end application – a significant net benefit when compared to the CO₂ emissions caused by the manufacture of these products.

Sustainability requires a contribution from us all as individuals. To invite all Infineon employees to participate actively, we launched the campaign “Infineon aims to be CO₂-neutral by 2030: Be part of it and come up with your ideas!”. We want to harness the creativity and skills of our workforce to contribute to our efforts towards carbon neutrality. The Management Board is also actively involved. Our sustainability targets for climate protection and diversity are reflected in the revised compensation targets for the Management Board and for executives.

With advances in digitalization and the focus on systems and solutions, as well as the integration of Cypress, we have taken account of the increasing size and complexity of our company by creating a new Management Board position. As Chief Digital Transformation Officer, Constanze Hufenbecher is driving forward many cross-departmental assignments and projects. In our company, we want to use digitalization to link our global organizational units together, in a way that is effective and unaffected by time zones. In this way, we are strengthening Infineon and reinforcing our commitment to sustainability, which we see as all-embracing and covering every part of our company.

Our continuous commitment to sustainability is confirmed by many external ratings and positive evaluations. Examples include the following:

- › EcoVadis awarded Infineon Gold status for the sixth time in a row. EcoVadis is an independent rating agency that rates suppliers on the basis of their ecological, social and financial performance.

- › In the 2021 fiscal year, for the eleventh year in a row, Infineon was included in The Sustainability Yearbook.
- › Infineon was listed for the tenth time in the Dow Jones Sustainability™ Europe Index and for the sixth time in a row in the Dow Jones Sustainability™ World Index.
- › For the third year in a row, our company received an AA rating (on a scale from AAA to CCC) in the MSCI Environmental, Social and Governance Ratings.

Notwithstanding the recognition we have received for our sustainability efforts, the company's participation in local projects is important to us. Through our corporate citizenship activities, we support initiatives and organizations that improve people's lives: for example, by donating ventilators to tackle the coronavirus pandemic.

In this report, we give you an overview of our sustainability strategy and its practical implementation. We would like to show you what we have already achieved and also point out what we are working on currently and will be working on in the coming years, since we bear responsibility today for what happens tomorrow.

Neubiberg, November 2021

Sincerely
Reinhard Ploss

Dr. Reinhard Ploss
Chief Executive Officer

Key figures

Worldwide leader in semiconductor solutions that make life **easier, safer** and **greener**

Revenue of
€11,060 million

€1,448 million
research and development expenses

€1,497 million
of investments in property, plant and equipment and other intangible assets
including **€199 million** of capitalized development costs

More than
80 sites and
30 countries with more than
105 nationalities in our teams

4 segments
with a Segment Result of
€2,072 million

50,288
employees
of whom **21 percent**
work in research and development

Notable events in the 2021 fiscal year

November 2020

Infineon receives a Gold rating from EcoVadis in the area of sustainability
EcoVadis, an independent rating agency that monitors the sustainability of suppliers, analyzes Infineon with regard to ecological, social, ethical and financial influencing factors. The result: Infineon is awarded Gold status for the sixth time in a row.

Infineon is one of the most sustainable companies in the world
Infineon is listed in the Dow Jones Sustainability™ Europe Index and in the Dow Jones Sustainability™ World Index. This means that for the eleventh time in a row Infineon is part of the Dow Jones Sustainability Index family and therefore included in the leading group of the most sustainable companies in the world.

Infineon Austria receives the Green Tech Award 2020
The significant extent of Infineon Austria's research and its innovative power in the field of climate protection was recognized by ÖGVS¹ with the Green Tech Award 2020. Infineon Austria is thus one of the top three companies in Austria in terms of patenting technologies or applications to mitigate climate change or to adapt to it.

December 2020

Infineon receives the CDP² scoring level Management for information in the area of climate change and water security
Since 2014, Infineon has been publishing information in the CDP on the opportunities and risks for the company resulting from climate change and water security. The number of points derived is then compared with other companies in the information technology and semiconductor industry.



January 2021

Infineon is included in the Sustainability Yearbook for the eleventh year in a row
For the eleventh consecutive year, Infineon makes it into the Sustainability Yearbook published by S&P³ Global in cooperation with RobecoSAM⁴. Infineon is once again among the ten best semiconductor manufacturers in the world in terms of entrepreneurial sustainability.

Infineon is again awarded Prime Status in the ISS⁵ ESG⁶ Corporate Rating
Prime Status is awarded to companies with an ESG performance above the sector-specific threshold, which means that they fulfill ambitious absolute performance requirements.

Infineon in Greater China receives the Best Charity Practice Award and the Best Charity Project Award
At the tenth China Charity Festival, Infineon is presented with the Best Charity Practice Award and the Best Charity Project Award. One of the award-winning projects involves working together with the Shanghai Rende Foundation, aiming to teach children in communities and schools about science and technology.

February 2021

Compensation system for the Management Board approved
At the Annual General Meeting, the new compensation system for the Management Board laid down by the Supervisory Board is approved by a large majority. The revised targets for the Management Board reflect the breadth of Infineon's strategy by including a range of remuneration components. Financial targets are supplemented by sustainability targets (environmental, social and governance targets). Here, the focus is on topics such as CO₂ reduction and diversity.

1 ÖGVS: Austrian Consumer Studies Society (German: Österreichische Gesellschaft für Verbraucherstudien).
2 CDP: Previously referred to as the Carbon Disclosure Project.

3 S&P: Standard and Poor's.
4 SAM: Sustainable Asset Management.
5 ISS: Institutional Shareholder Services Inc.
6 ESG: Environmental, Social and Governance.

Management Board confirms its commitment to carbon neutrality by switching European sites to green electricity

At the Annual General Meeting 2020, Infineon announced that it wants to become carbon-neutral by the end of the 2030 fiscal year. Infineon's next big step is to switch electricity consumption at its sites in Europe fully over to certified green electricity in the 2021 fiscal year. The company is therefore in a good position to meet its interim target of reducing its carbon emissions by 70 percent by the end of the 2025 fiscal year, compared with the 2019¹ calendar year.

MSCI² ESG Research rates Infineon AA

The MSCI World ESG Index focuses on Environmental, Social and Governance aspects. The index works on the best-in-class principle. For the third consecutive year, Infineon is rated AA.

March 2021

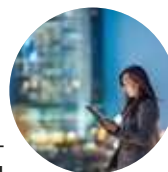
Another chapter in Infineon's success story in the capital market: Infineon is included in the EURO STOXX 50

Infineon shares move up into the most important benchmark index in the eurozone, the EURO STOXX 50. Their inclusion in the index occurs not on the scheduled chaining date in September, but during the year in accordance with the fast entry rule. When exceptional modifications are made to the composition of the index, shares need to meet, in addition to other conditions, the requirement that they are ranked no lower than 25th place on the selection list in terms of their free-float market value. Infineon shares fulfilled this requirement on the reference date of 26 February 2021.

April 2021

Constanze Hufenbecher is appointed Chief Digital Transformation Officer

Infineon creates the Management Board position of Chief Digital Transformation Officer (CDTO) on 15 April 2021. The Supervisory Board appoints Constanze Hufenbecher to the post. Thus, Infineon increases the size of the Management Board from four to five members. One of Ms. Hufenbecher's areas of responsibility is sustainability.



Infineon signs a US\$1.3 billion private placement for the continued refinancing of the acquisition of Cypress

Infineon successfully signs a US\$1.3 billion private placement of notes in the USA. The proceeds of the transaction are used to repay existing US dollar bank term loans related to the acquisition of Cypress. More than 40 institutional investors participate in the transaction, which consists of four tranches with maturities of six, eight, ten and twelve years.

May 2021

Infineon organizes its first global, virtual Diversity Day

On the global Diversity Day, all Infineon employees are able to learn and exchange ideas about Diversity & Inclusion (D&I). The day provides employees around the world with more than 45 sessions (over 30 hours) of informative content about a huge variety of D&I topics.

Infineon is listed in the Euronext Vigeo Eurozone 120 Index and in the Euronext Vigeo Europe 120 Index

Infineon is ranked in the Euronext Vigeo Eurozone 120 Index, which lists the 120 best companies in the eurozone in the area of CSR³. As one of the most successful companies in Europe, Infineon is listed in the Euronext Vigeo Europe 120 Index. This index includes the 120 companies with the most successful performance in the area of Environmental, Social and Governance criteria throughout Europe.

Infineon Austria receives the Money4Change-Impact Award 2021

The Money4Change-Impact Award initiated by management consultancy Mercer and "Institutional Money" magazine recognizes strategies, processes or solutions that support the Sustainable Development Goals in various categories. Infineon Austria is the winner in the Corporate category.

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 MSCI: Morgan Stanley Capital International.

³ CSR: Corporate Social Responsibility.

June 2021



Infiniteon conducts ideas campaign on carbon neutrality

Infiniteon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year. The main way to achieve this will be to avoid as many emissions as possible. This has priority over compensation measures. During the period between Earth Day on 22 April 2021 and World Environment Day on 5 June 2021, all employees can take the opportunity to be actively involved by putting forward their suggestions. Infiniteon will plant a tree for every idea submitted. As a result, not only were 800 ideas submitted, but 2,000 trees were also planted.

Quantum computing: Infiniteon is one of the founders of the Quantum Technology and Application Consortium

Ten leading German corporations come together to found the Quantum Technology and Application Consortium (QUTAC). The aim of the newly founded consortium is to build upon the existing foundations of quantum computing in usable industrial applications. Specifically, the objective is to make industry-relevant applications ready for the market in the technology, chemical and pharma sectors, and in insurance and the automotive industry.

Infiniteon again included in FTSE4Good¹ Index Series

FTSE Russell, the trading name of FTSE International Limited and Frank Russell Company, evaluates the performance of companies based on internationally recognized standards relating to ecological, social and economic criteria.

July 2021

Infiniteon Americas included in Top 100 Bay Area Corporate Philanthropists 2021

With its Corporate Philanthropy Awards & Summit, the business journal "San Francisco Business Times" recognizes companies that have made a particular contribution to charitable organizations in the region.

Infiniteon receives the Bosch Global Supplier Award in the sustainability category

At this year's Bosch Global Supplier Awards, Bosch honors suppliers in the sustainability category for the first time, selecting from around 23,000 suppliers worldwide. Bosch justifies making the award to Infiniteon because of its longstanding voluntary carbon reduction activities in production and its comprehensive corporate strategy with ambitious sustainability targets.

August 2021



New, ultra-low loss diode for light vehicle generators reduces CO₂ emissions

Infiniteon and Bosch launch a new, ultra-low loss diode for generators in light vehicles with combustion engines onto the market. In a conventional car, the generator produces the electric energy to charge the battery and to provide a growing number of safety and comfort features such as driver assistance systems, air conditioning and infotainment. The new diode allows generators to achieve a power conversion efficiency beyond 80 percent. Currently, generators usually reach levels of up to 72 percent.

September 2021

Infiniteon opens high-tech chip factory in Villach (Austria)

With the new fully automated 300-millimeter high-tech chip factory on its site in Villach (Austria), Infiniteon has made one of the largest investments to date in the European semiconductor industry. The factory manufactures energy-saving power semiconductors for power electronics.

¹ FTSE: Financial Times Stock Exchange.

Sustainability strategy

GRI 102-40, 102-42, 102-43, 102-44

We understand Corporate Social Responsibility (CSR) as our voluntary responsibility towards society, both international and local. Our commitment is based on compliance with current legal requirements, the Ten Principles of the United Nations (UN) Global Compact and the principle of sustainability as the symbiosis of economy, ecology and social engagement.

Based on these tenets we have identified seven fields of activity: Occupational Health and Safety, CSR Supply Chain Management, Corporate Citizenship,

Human Resources Management, Human Rights, Environmental Sustainability and Climate Protection, and Business Ethics. [CHART 01](#)

In this fiscal year, we have anchored our commitment to sustainability even more firmly in our organization by establishing a CSR Board. This consists of members of the Management Board and of Infineon's specialist departments. This composition of the CSR Board will enable it to cover the wide range of CSR topics and will ensure that it can discuss current topics and determine the measures the company should adopt.

[CHART 01](#) Infineon CSR Concept



About this report

GRI 102-42, 102-43, 102-44, 102-46, 102-48

This report documents Infineon's environmental and social performance during the 2021 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 2021 fiscal year has been published in the Annual Report 2021. www.infineon.com/annualreport

In the 2021 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. 49 ff. of the Annual Report 2021](#)

The reporting period covers the 2021 fiscal year, from 1 October 2020 until 30 September 2021. We publish this report annually. The previous report was published in November 2020 as a supplement to the Annual Report 2020. Unless otherwise specified, the statements and key figures in this report refer to the 2021 fiscal year. In order to help readers identify and interpret the trends relating to quantitative disclosures, the present report includes data from at least the 2020 and 2021 fiscal years.

The acquisition of Cypress

With the completion of the acquisition of Cypress in April 2020, the company headquartered in San José (USA) became part of Infineon. In principle, the non-financial data of Cypress have been consolidated in this report. Where data from Cypress have not been included in the content of this report, this is explicitly disclosed in the relevant sections. Up to and including the fiscal year 2020, the data from Cypress are not included in key performance indicators disclosed in this report. However, data relevant to Cypress are included in the carbon neutrality goal we set with the 2019 calendar year as the base year.

Reporting

This report has been prepared in accordance with the GRI¹ Standards: Core option. These reporting criteria are complemented by corporate rules. The information contained in this report also serves as our Communication on Progress for the United Nations Global Compact initiative (see chapter "UN Global Compact Communication on Progress", [p. 49 f.](#)).

In the "Sustainable Development Goals" chapter, Infineon also reports for the fifth time on the processes and steps implemented to support the Sustainable Development Goals of the United Nations. [p. 51 ff.](#)

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. [p. 64 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.

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

¹ GRI: Global Reporting Initiative.

GRI 102-42, 102-43, 102-44, 102-46, 102-47

for assessing Infineon's sustainability performance. Thirdly, relevant topics were preselected based on our corporate strategy and on stakeholder expectations. Finally, we assembled our in-house experts to discuss the topics chosen and any potentially related risks or opportunities which 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.

CHART 02 Material topics and impact along the value chain

Material topics	Reporting boundary ¹	Supply chain (Production materials, products, services)	Infineon (Production processes)	Customer (Product application)
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.

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 "Group strategy" chapter as well as under "Risk and opportunity report" in the "Report on outlook, risk and opportunity" chapter of the Annual Report 2021.

p. 35 ff. and p. 112 ff. of the Annual Report 2021

Progress during the 2021 fiscal year, the achievement of our targets and the associated key performance indicators are described in this report as well as in the "Group strategy" and "Business model" chapters of the Annual Report 2021. TARGETS p. 42 ff.

p. 35 ff. and p. 50 f. of the Annual Report 2021

Long-term viability of core business: Energy efficiency, mobility and security are important key fields of action for global society that offer enormous growth potential. Infineon occupies leading positions in these sectors. We expect our innovative power and technological expertise to continue to drive sustainable and profitable growth going forward.

The steady progress of digitalization and networking is one of the most vital technological trends of our time, with the potential to change radically how companies and consumers interact with one another and with the surrounding infrastructure. The IoT connects the physical and virtual worlds in ways never seen before. More and more physical "objects" – ranging from people and places to cars and computers, all the way to home appliances and industrial machines – are being equipped with electronic systems, software and sensors and connected to the Internet.

GRI 102-46

This opens the door to a new dimension of connectivity and intelligence with far-reaching consequences for our society and our economy. As a world-leading provider of semiconductor solutions, Infineon supplies manufacturers in all market segments with key components for IoT applications. 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 73.1 zettabytes (1 zettabyte = 1,000⁷ bytes). Although global expenditure on the IoT has been severely affected by the coronavirus pandemic, the IDC expects it to increase again over the coming years.

Our sensors, processors, security controllers and actuators set the standards for highly developed sensor technologies, cross-application control and optimized power management. They make the IoT intelligent, secure and energy-efficient. Additional information about this material topic can be found in the “Contribution through sustainable products” chapter of this report as well as in the “Group strategy” chapter and under “Strategic focus” in the “The segments” chapter of the Annual Report 2021. [p. 34 ff. in this report and p. 35 ff., p. 61 f., p. 66 f., p.71 f. and p. 76 f. of the Annual Report 2021](#)

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. We make life easier, safer and greener – with technology that achieves more, consumes less and is accessible to everyone.

The manufacture 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 United Nations, the Earth will have approximately 10.9 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. Using energy

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 “Contribution through sustainable products”, “Our responsibility along the supply chain” and “Sustainable Development Goals” chapters. [p. 34 ff., p. 37 f. and p. 51 ff.](#)

We want to make driving a car safer for everybody. Our systems are designed to support drivers and significantly reduce the number of accidents. Infineon radar chips send and receive radio frequency signals and pass them on to the radar electronic control unit (ECU). The radar ECU then determines the distance between the car and other vehicles and their speed in order to warn the driver in good time and to initiate a braking maneuver in case of an emergency. Another system detects signs of driver fatigue (such as microsleep) or distraction. Infineon is also working in the area of eCall (Emergency Call), an emergency call system integrated into the car. In case of an accident, eCall automatically transmits the location and other important data to the emergency services, drastically reducing the amount of time needed to reach the driver.

Today, Infineon already has solutions that meet the high requirements of active and passive assistance systems. They enable, for example, piloted driving in traffic jams and automated parking. In the future, car-to-car communication will improve safety and efficiency in road traffic. For example, it will be possible to warn drivers of road damage or accidents on their route.

GRI 102-46

Additional information on this material topic can be found under “The Infineon carbon footprint” in the “Contribution through sustainable products” chapter in this report as well as under “Strategic focus” in the “The segments” chapter in the Annual Report 2021. [p. 35 in this report and p. 61 f., p. 66 f., p. 71 f. and p. 76 f. of the Annual Report 2021](#)

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. In our Business Conduct Guidelines, we anchor our mandatory compliance with valid human rights. Additional information on this topic can be found in the “Business ethics”, “Human rights” and “UN Global Compact Communication on Progress” chapters. [p. 14 f., p. 16 and p. 49 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 (formerly: Principles of Procurement). The chapter “Our responsibility along the supply chain” contains further information on this topic. [p. 37 f.](#)

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 which 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. Even before the end of the 2025 fiscal year, Infineon aims to have achieved 70 percent of this target (compared with the 2019¹ calendar year). The Group presented its plans at the Annual General Meeting 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 “Protection of our employees”, “Environmental sustainability and climate protection”, “Contribution through sustainable products” and “Sustainable Development Goals” chapters. [p. 24 f., p. 26 ff., p. 34 ff. and p. 51 ff.](#)

Diversity and equal opportunity: Our Diversity & Inclusion (D&I) Framework is designed to 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. As an international company, staff diversity is particularly important to us. The promotion of women to leadership positions is a key aspect of our D&I Framework. Changes within the organization that support 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 which provides both personal and professional opportunities for our employees. When we make human resources decisions, such as selecting, hiring and promoting personnel, or organizing job changes, remuneration or staff training, we are guided by the principle of equal opportunities, relevant qualifications and performance.

¹ In line with our carbon neutrality goal, with the 2019 calendar year as the base year, the relevant data of Cypress are included.

GRI 102-46

Gender and ethnic differences have no impact on our human resources decisions. Additional information on this material topic can be found in the “Business ethics”, “Human rights” chapters and under “Encouraging diversity” in the “Human resources management” chapter as well as in the “Sustainable Development Goals” chapter.

[p. 14 f.](#), [p. 16](#), [p. 19 f.](#) and [p. 51 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 under “R&D sites” in the chapter “Research and development” as well as under “Manufacturing sites” in the chapter “Manufacturing” in the Annual Report 2021. [p. 87](#) and [p. 91 of the Annual Report 2021](#)

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 social commitment as part of our corporate citizenship activities.

Examples of Infineon’s engagement are set out in the “Corporate citizenship” and “Sustainable Development Goals” chapters. [p. 39 ff.](#) and [p. 51 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 is made, especially with regard to 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. They 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 in the context of the UN Global Compact’s Principles in the “UN Global Compact Communication on Progress” chapter. [p. 49 f.](#)

Additional information on this material topic is given in the “Business ethics”, “Human rights” and “Sustainable Development Goals” chapters in this report, as well as under “Corporate Governance Report” in the “Corporate Governance” chapter in the Annual Report 2021. [p. 14 f.](#), [p. 16](#) and [p. 51 ff.](#) in this report and [p. 132 of the Annual Report 2021](#)

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 daily activities we undertake to promote employees’ performance and realize their potential in the best possible way based on the three pillars “Leadership excellence”, “Promoting talent” and “Our workforce”.

In our Business Conduct Guidelines, we commit to upholding international human rights and labor standards, including protecting personal dignity and the privacy of every individual. Additional information about this is given in the “Business ethics”, “Human rights” and “UN Global Compact Communication on Progress” chapters.

[p. 14 f.](#), [p. 16](#) and [p. 49 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 “Human resources management”, “Protection of our employees” and “Sustainable Development Goals” chapters. [p. 17 ff.](#), [p. 24 f.](#) and [p. 51 ff.](#)

¹ ISO: International Organization for Standardization.



Business ethics

All former Cypress employees were enrolled in Business Conduct Guidelines training. In addition, corruption prevention training and antitrust law training were rolled out for selected target groups.

TARGETS

p. 42 ff.

Material topics

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

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 reliability and quality are vital for winning 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 the Business Conduct Guidelines¹ and the 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, 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 and reports directly to the member of the Infineon Technologies AG Management Board responsible for Finance. 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 investigations of compliance cases.

Following the successful Group-wide certification of the Compliance Management System in accordance with IDW² Standard PS³ 980 in the 2019 fiscal year, reviews of the Compliance Management System are conducted by Internal Audit. These reviews form a significant part of the audit planning. Employees and business partners took advantage of the opportunities available, both internal (Management, Human Resources and Compliance) and external (Infineon Integrity Line), to report actual or suspected violations during the 2021 fiscal year. The number of reports made and the subsequent investigations rose slightly again in the 2021 fiscal year. We attribute this rise mainly to the significant easing of the measures taken to contain the coronavirus pandemic and the inclusion for the first time of reports from the locations formerly operated by Cypress. **CHART 03** When assessing possible breaches, Infineon distinguishes between various degrees of severity. A number of employees in the low double digits left Infineon as a result of a compliance case, either after termination of their employment or voluntarily. Moreover, in other cases, further sanctions in accordance with labor law were imposed, such as cautions and formal warnings.

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

² IDW: The Institute of Public Auditors in Germany (German: Institut der Wirtschaftsprüfer) publishes Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems.

³ PS: Auditing Standard (German: Prüfungsstandard).

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 corporate bodies worldwide when dealing with one another, with our customers, investors, business partners or with the public.

All the company's employees are trained on the content on a regular basis in web-based sessions or face-to-face. In the 2021 fiscal year, all former Cypress employees were enrolled in relevant Business Conduct Guidelines training. In addition, corruption prevention training and antitrust law training were rolled out globally for selected target groups who had not completed the training in the past three years. Business partners are contractually obliged to comply with the legal regulations. Suppliers acknowledge our Supplier Code of Conduct (formerly: Principles of Procurement) when signing the contract. In addition, we conduct business partner checks to ensure that we only 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 VAT¹. 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 our tax management and related governance and create an important basis for dialog with our stakeholders. The Tax Compliance and Governance Report can be downloaded from our website. www.infineon.com/tax_report

Diversity in Infineon's corporate bodies

The promotion of diversity in the company is an important factor in corporate success. At the balance sheet date, 30 September 2021, the Supervisory Board consisted of 16 members, with equal numbers of men and women, 12.5 percent of whom were between 30 and 50 years old and 87.5 percent over 50. [CHART 04](#) and [CHART 05](#). There was one woman on the Management Board at the balance sheet date. The Management Board has five members, all of whom belong to the "over 50" age group.

¹ Value Added Tax.

CHART 03 Reports of possible compliance breaches

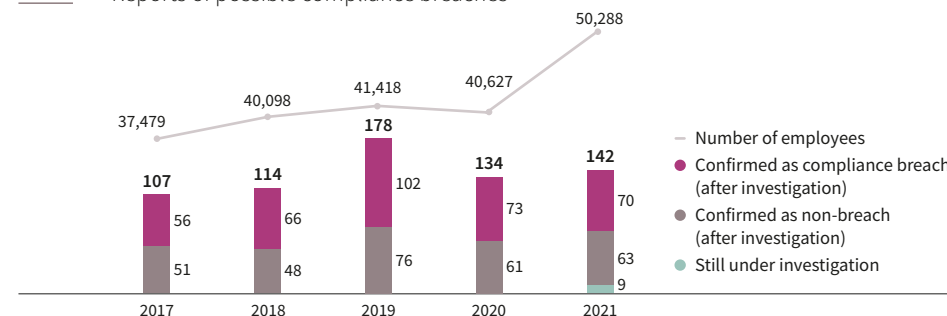


CHART 04 Age structure in Supervisory Board

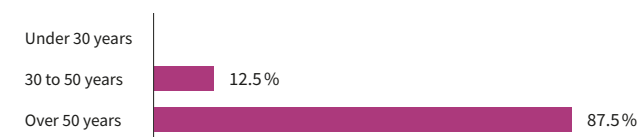


CHART 05 Supervisory Board by gender





Human rights

Compliance with human rights and the promotion of fair working conditions form the basis of our corporate culture.

TARGETS

p. 42 ff.

Material topics

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



Standards and principles

Compliance with internationally proclaimed human rights and 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 which are authorized by the respective government and which demonstrably promote those participating. All work is performed without coercion of any kind and can be terminated by our employees provided they give reasonable notice. Our employees are compensated in accordance with applicable wage legislation and in compliance with the respective applicable minimum wage, regulations on overtime hours and legally prescribed additional benefits.

Guidelines and publications

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, child labor, the prohibition of forced labor, working hours and non-discrimination (see chapter “UN Global Compact Communication

on Progress”, [p. 49 f.](#)). All our employees around the world receive regular training on the Business Conduct Guidelines. In addition, we have implemented external hotlines which our employees, suppliers, customers and business partners can contact openly or anonymously. All cases reported are investigated by our compliance experts (see chapter “Business ethics”, [p. 14 f.](#)). The Compliance Management System ensures that significant violations of human rights and applicable labor standards are reported to the Management Board.

Our CSR Policy describes our focus areas in this field 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 human rights, as well as with fair business practices (see chapter “Our responsibility along the supply chain”, [p. 37 f.](#)). Under “Corporate Governance Report” in the “Corporate Governance” chapter in the Annual Report 2021 contains additional detailed explanations.

[p. 132 of the Annual Report 2021](#)



Human resources management

The coronavirus pandemic has only highlighted the great importance Infineon attaches to training. In the 2021 fiscal year, it offered its employees many additional and virtual learning opportunities.

Material topics

- > Diversity and equal opportunity
- > Labor relations

TARGETS

p. 43 ff.



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 2021. [p. 47 f. of the Annual Report 2021](#)

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 to set its priorities. [CHART 06](#)

[CHART 06](#) High Performance Behavior Model



These descriptions of conduct play a significant role in the global Steps To Employees' Personal Success (STEPS) process. 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. The Infineon Leadership Principles contain eight expectations on conduct and the corresponding operationalization. Our Leadership Principles supplement the "High Performance Behavior Model" and provide guidance on management issues. [CHART 07](#)

CHART 07 Infineon 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 which 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.

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 route 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 which 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.

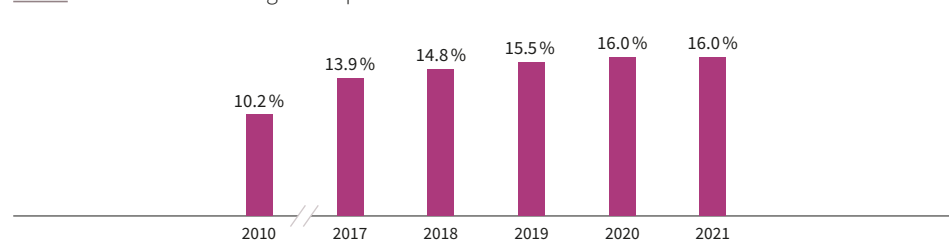
Health management works closely together with occupational health and the social counseling services at the respective sites and helps provide a healthy range of foods and an effective health program. One example in Germany is provided by training measures in the area of “Healthy Leadership”.

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, or sexual orientation and identity.

Our global Diversity & Inclusion Framework 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 Framework are: Diversity & Inclusion awareness and competence, age diversity, gender diversity, cultural diversity and achieving a work-life balance.

CHART 08 Women in management positions

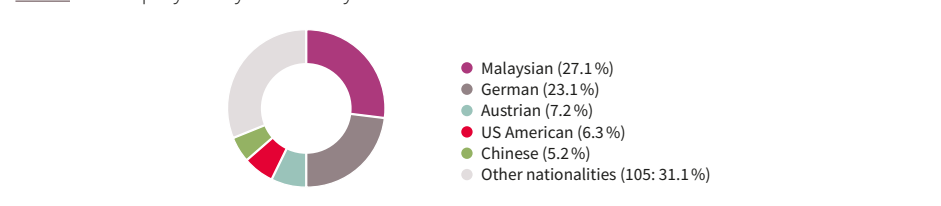


The promotion of women to management positions is one of the key focus areas of our Diversity & Inclusion activities. The target we had set ourselves for the end of the 2020 fiscal year of increasing the percentage of female managers to 15 percent we also achieved at the end of the 2021 fiscal year, with 16 percent of female managers in middle and senior management positions. [CHART 08](#) We continue to pursue our long-term goal of increasing the percentage of women in management positions to 20 percent by 2030. This long-term goal is also reflected in the new compensation system for the Management Board laid down by the Supervisory Board, which was approved at the Annual General Meeting by a large majority.

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 defined in the 2017 fiscal year and are to be achieved by 30 June 2022. 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 50,288 people of different nationalities. The five most prevalent nationalities represent a total of 68.9 percent of the workforce, with Malaysian nationals accounting for 27.1 percent and German nationals for 23.1 percent. [CHART 09](#)

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}	9,232	0.1	58.3	41.6
Entry level management ²	10,760	4.7	78.9	16.4
Non-management staff	30,296	33.1	53.7	13.2
Total	50,288	21.0	59.9	19.1

¹ Figures expressed in percent based on the workforce as of 30 September 2021, 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 17,997 female employees, 27.0 percent are under 30 years old, 59.5 percent are in the middle age group and 13.5 percent are over 50 years old. Out of 32,291 male employees, 17.6 percent are under 30, 60.1 percent are in the middle age group and 22.3 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}	9,232	16.0	84.0
Entry level management ³	10,760	29.0	71.0
Non-management staff	30,296	44.2	55.8
Total	50,288	35.8	64.2

¹ In the 2021 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 2021, 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 2021 fiscal year, our staff participated in a total of 484,171 hours of training. 32.4 percent of training hours were provided to female employees and 67.6 percent to male employees. Production training hours accounted for most of the hours utilized, at 57.7 percent.

Training hours¹ per employee and functional area

	Per employee
Production	8.62
R&D	14.05
Sales and Marketing	11.76
General Administration	9.80
Total	10.03

¹ Calculated on the basis of the monthly workforce in the 2021 fiscal year.

Training hours¹ by management class and gender²

	Per employee	Female	Male
Middle and senior level management ^{3,4}	12.59	14.69	12.20
Entry level management ³	14.52	15.33	14.20
Non-management staff	7.73	7.16	8.18
Total	10.03	9.13	10.53

¹ Calculated on the basis of the monthly workforce in the 2021 fiscal year.

² In the 2021 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".

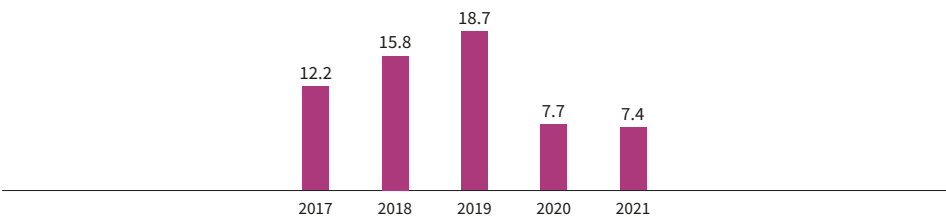
³ At Infineon, the management function includes not only the leadership of employees but also leadership through specialist expertise as well as project management functions as defined in the internal job evaluation system.

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 supply chain. With the introduction of the LinkedIn Learning online training platform in the 2019 fiscal year, Infineon began tapping into another modern learning channel for its employees. In the 2021 fiscal year, 47 percent of the Infineon workforce (including shop floor employees without company devices) activated their LinkedIn Learning license. In total, 61,197 study hours were completed.

As a result of the coronavirus pandemic and in order to continue safeguarding its employees, Infineon decided that all classroom-based training until the end of the 2021 calendar year would be cancelled or postponed. Infineon offers even more virtual alternatives, such as virtual training and tutorials from the Infineon academies. The reduction in training expenses has resulted from the strategic turnaround, which means more content is being delivered by internal experts instead of external service providers. In addition, fee-based training has been replaced by increased usage of the free LinkedIn Learning platform (such as in the area of IT). [CHART 10](#)

CHART 10 Training expenses
€ in million



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 location):

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 dependants 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 day care 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, more than 86 percent of 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. 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. Almost half the 50,288 employees (previous year: 40,627 excluding Cypress and 46,665 including Cypress) worked in Asia-Pacific, Greater China and Japan (24,563 employees). 40.5 percent of all employees were employed in Europe (20,362); the majority of these were employed in Germany (12,998).

Employees by region and gender¹

	2021			2020		
	Total	Female	Male	Total	Female	Male
Europe	20,362	5,279	15,083	18,664	4,850	13,814
Therein: Germany	12,998	3,506	9,492	12,150	3,260	8,890
Americas	5,363	1,791	3,572	3,446	1,385	2,061
Therein: USA	3,837	999	2,838	1,968	605	1,363
Asia-Pacific	21,466	9,727	11,739	16,322	7,514	8,808
Greater China	2,456	1,118	1,338	1,986	980	1,006
Japan	641	82	559	209	40	169
Total	50,288	17,997	32,291	40,627	14,769	25,858

¹ In the 2021 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".

As of 30 September 2021, in the workforce as a whole, 1,464 female employees and 1,864 male employees had fixed-term contracts and 16,533 female employees and 30,427 male employees had permanent contracts. A total of 2,188 employees were working part-time as of that date.

Employees who were, for example, 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.

As of 30 September 2021, Infineon also employed a total of 521 apprentices and students on work-study programs and 178 interns, as well as 1,505 working students. 213 new apprentices and students on work-study programs were hired in the 2021 fiscal year.

Temporary employees are also excluded. 2,907 temporary employees were working for Infineon worldwide, of whom 1,334 were female and 1,573 male, as of 30 September 2021. Approximately 75.1 percent of the temporary employees worked in production, giving Infineon flexibility in its manufacturing in the context of fluctuations in capacity utilization.

Employees¹ by contract type

		2021			2020		
		Total	Full-time	Part-time	Total	Full-time	Part-time
Employees on permanent contracts	Male	30,427	29,450	977	24,507	23,622	885
	Female	16,533	15,346	1,187	13,523	12,367	1,156
Employees on fixed-term contracts	Male	1,864	1,850	14	1,351	1,345	6
	Female	1,464	1,454	10	1,246	1,236	10
Total		50,288	48,100	2,188	40,627	38,570	2,057

¹ In the 2021 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 2021 fiscal year, there were 7,443 new hires worldwide, of which 3,023 were female and 4,420 male. [CHART 11](#) 4,387 employees were under the age of 30, 2,811 employees in the age group of 30 to 50 and 245 employees over the age of 50. [CHART 12](#)

Rates of new hires and terminations by region

	Total	Europe	Therein: Germany	Asia- Pacific	Greater China	Japan	Americas	Therein: USA
Newly hired employees	7,443	1,922	1,096	4,120	376	21	1,004	530
Rate of newly hired employees ¹	14.8	9.4	8.4	19.2	15.3	3.3	18.7	13.8
Staff departures	3,984	824	472	1,870	315	33	942	492
Rate of staff departures ²	8.3	4.2	3.7	9.2	13.1	5.1	17.8	13.1

1 Figures expressed in percent based on the workforce as of 30 September 2021, in the respective region.

2 Figures in percent, calculated on the basis of the monthly workforce in the 2021 fiscal year.

Worldwide, there were 3,984 staff departures from Infineon in the 2021 fiscal year. Of these, the majority (1,870 employees) were in the Asia-Pacific region, where most new recruitment also occurred (4,120 employees).

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



1 In the 2021 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".

Of the departures, 1,628 were women and 2,356 men. 1,482 employees were in the under 30 age group, 1,859 in the middle age group (30 to 50 years) and 643 in the over 50 age group. The worldwide employee fluctuation rate during the 2021 fiscal year was 8.3 percent (previous year: 7.3 percent).

Age structure and length of service

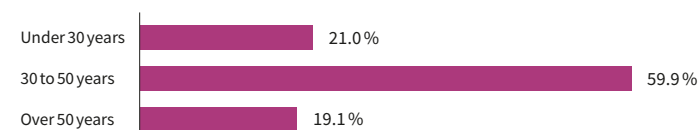
Demographic change also impacts the age structure at Infineon. In order to counteract the effects of demographic change at the individual sites, we take appropriate steps in the areas of work organization, qualification and knowledge transfer, talent management, health management as well as corporate and management culture, depending on local need. The average age of employees worldwide in the 2021 fiscal year was 39.7 years (previous year: 39.9 years). The proportion of employees below 30 years of age increased and was 21.0 percent (previous year: 19.6 percent). On the other hand, the proportion of employees in the middle age group fell slightly (2021 fiscal year: 59.9 percent, previous year: 61.4 percent). The proportion of employees over the age of 50 remained virtually the same (2021 fiscal year: 19.1 percent, previous year: 19.0 percent). [CHART 13](#)

The average length of service decreased to 10.3 years (previous year: 10.6 years).

[CHART 12](#) Age structure (new entries)



[CHART 13](#) Age structure





Protection of our employees

In the 2021 fiscal year, we invested around 28,000 hours in training and continuing education for our fire protection and occupational safety and health experts worldwide.

TARGETS

p. 43 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, where possible, substitution and technical measures take precedence over organizational or personal measures.

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. In the 2022 fiscal year, we will further implement this program at the locations formerly operated by Cypress. 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.

To protect the health of our employees and business partners during the coronavirus pandemic, Infineon ceased business travel as far as possible from the middle of March 2020. In the 2021 fiscal year, few business trips were made. More than half the global workforce was able to work from home.

¹ Nohl: A method used to evaluate and assess occupational safety risks devised by Jörg Nohl.

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

At all our manufacturing sites and office locations where the physical presence of the workforce was essential, Infineon took extensive precautionary and preventive measures in order to make an active contribution to containing the coronavirus.

In addition to the preventive measures taken, such as mobile working and the provision of masks or sanitizers, we took active steps to track cases of the coronavirus to prevent the spread of the disease to other employees. We participated in national vaccination and test strategies in accordance with the local conditions and the opportunities available.

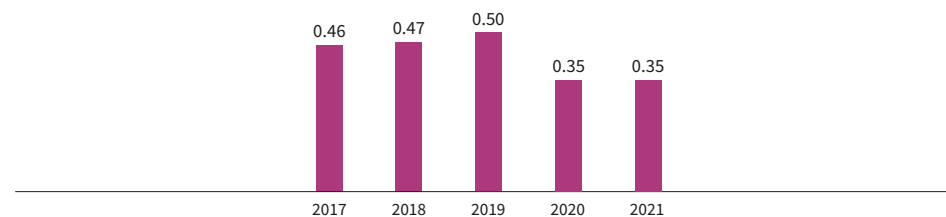
The recording and evaluation of work-related accident figures in the course of our general data collection process is performed in accordance with GRI Standards

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.

There were no fatal work-related accidents at Infineon in the 2021 fiscal year. Our Injury Rate of 0.35 in the 2021 fiscal year is presented in [CHART 14](#). The Lost Day Rate of 5.85 in the 2021 fiscal year is illustrated in [CHART 15](#).

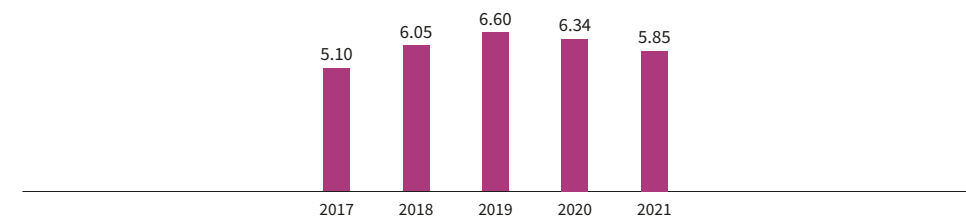
The Injury Rate remained constant compared to the previous year. This was due partly to our existing behavior-based safety program and partly to the measures taken as a result of the coronavirus pandemic, such as working from home.

[CHART 14](#) Injury Rate¹



¹ The Injury Rate is calculated as follows: total number of injuries/total hours worked x 200,000. Holidays and public holidays are included in the working hours.

[CHART 15](#) Lost Day Rate¹



¹ The Lost Day Rate is calculated as follows: total number of lost days/total hours worked x 200,000. Holidays 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 percent¹ of this target.²

TARGETS

p. 44 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 a 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 the humans who depend on them. Climate change can only be tackled if all the players in society 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 2021 fiscal year, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich (Germany) conducted an independent reasonable assurance audit, inter alia, of the data from the 2019 calendar year as the base year, in accordance with the relevant assurance standard for sustainability reporting, the International Standard on Assurance Engagements 3000 (Revised). [p. 64 ff.](#)

“Infineon is already one of the most sustainable semiconductor producers”, says Jochen Hanebeck, Chief Operations Officer at Infineon. “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.”

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

² In line with our carbon neutrality goal, with the 2019 calendar year as the base year, the relevant data of Cypress are included.

To achieve its targets, Infineon focuses in particular on avoiding direct emissions and increasing energy efficiency. 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 planning to purchase green electricity. To confirm this approach, Infineon has joined the corporate initiative RE¹100. RE100 is a global initiative bringing together many of the world's influential businesses committed to 100 percent renewable energy. The group, which is led by international non-profit organization Climate Group in partnership with CDP, has total revenue of more than US\$6.6 trillion and is active in a variety of economic sectors. Together, they are sending a strong signal to political decision-makers and investors to accelerate the transition to a decarbonized economy.

In 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 2021 fiscal year, our scope 1 and scope 2 emissions were 14.2 percent below the emissions of the base year 2019. 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.

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 the offices have the lowest energy demand.

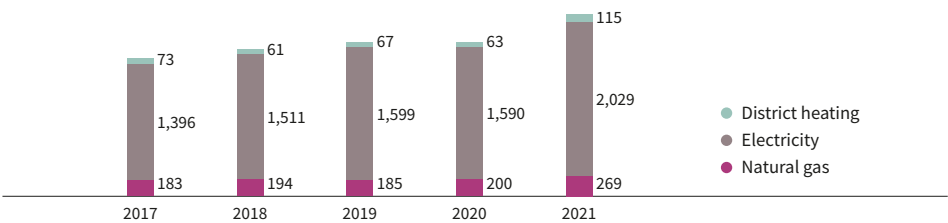
In the 2021 fiscal year, Infineon consumed around 2,437 gigawatt hours of energy worldwide. Consumption by material energy source is shown in the following table and in [CHART 16](#).

Energy consumption (direct/indirect)
in gigawatt hours

Direct energy (scope 1) renewable	0.85
Firewood	0.85
Direct energy (scope 1) non-renewable	291.61
Natural gas	269.17
Liquid gas	0.84
Petrol	0.03
Petrol (cars)	2.03
Diesel	4.04
Diesel (cars)	14.90
Fuel oil	0.60
Indirect energy (scope 2)	2,144.60
Electricity	2,029.35
District heating	114.94
Electricity (cars)	0.31
Total	2,437.06

CHART 16 Energy consumption

rounded, in gigawatt hours



1 RE: Renewable electricity.

Infineon's first step on joining the RE100 initiative was to switch its electricity consumption in the 2021 fiscal year at its sites in Europe over to 100 percent green electricity. [CHART 17](#) shows the percentage of total electricity consumption that relates to green electricity.

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.

[CHART 17](#) Green electricity as a percentage of total electricity consumption



[CHART 18](#) Standardized electricity consumption per square centimeter manufactured wafer



¹ Frontend sites worldwide.

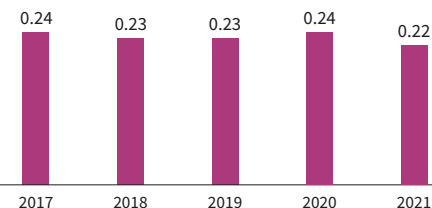
The World Semiconductor Council (WSC) has defined electricity consumed per square centimeter manufactured wafer as the unit for measuring the energy efficiency of frontend sites. Compared to the global average value of the WSC, our frontend sites worldwide used approximately 44 percent less electricity to manufacture one square centimeter wafer in the 2020 calendar year. [CHART 18](#)

In the 2021 fiscal year, energy consumption per unit of revenue was 0.22 kilowatt hours per euro. Figures from previous years are also shown in [CHART 19](#) 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 Protocol (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 19](#) Energy consumption per unit of revenue in kilowatt hours per €



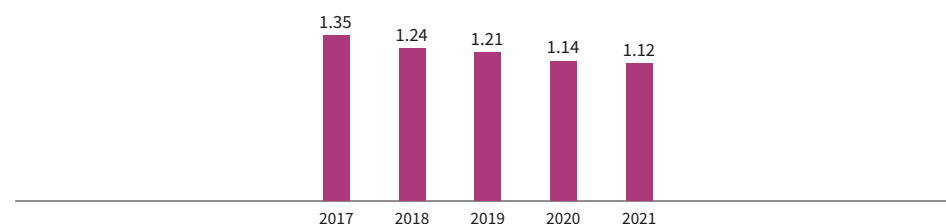
Scope 1 emissions

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 81.6 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 efficient exhaust air abatement schemes. The use of alternative gases with higher utilization rates and lower global warming potential helps minimize the increase in emissions wherever possible. Our voluntary investment in PFC exhaust air abatement enables us to avoid around three quarters of our potential direct scope 1 emissions, which corresponds to avoiding around 682,500 tons of CO₂ per year. In other words, if we had not taken these voluntary measures to reduce our emissions, our scope 1 emissions would have been four times higher (around 925,739 tons of CO₂ equivalents).

Since the 2015 fiscal year, we have changed our PFC reporting from absolute values to the Normalized Emission Rate (NER) by normalizing the emissions per manufactured wafer surface. The WSC set the target of achieving an average normalized emission rate of 2.2 tons of CO₂ per square meter by 2020. We had already achieved a sustained lower emission rate than the WSC target at a much earlier date. With an average normalized emission rate of 1.12 in the 2021 fiscal year, we have done so once again. [CHART 20](#)

CHART 20 Normalized Emission Rate

in tons of CO₂ per square meter, frontend sites



Furthermore, we have set ourselves the target of implementing measures that will generate total emission savings of 50,000 tons of CO₂ equivalents by the end of the 2024 fiscal year. We expect to achieve this mainly through PFC reduction measures. 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 2021 fiscal year, 6.32 tons of sulfur oxides (SO_x), 71.96 tons of nitrogen oxides (NO_x), 33.77 tons of carbon monoxide (CO), 588.14 tons of volatile organic compounds (VOC), and 10.37 tons of particulate matter were emitted.

The total scope 1 emissions in the 2021 fiscal year are equivalent to 298,246 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 695,432 tons of CO₂ equivalents in the reporting period.² 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.

¹ GHG Protocol Scope 2 Guidance (2015).

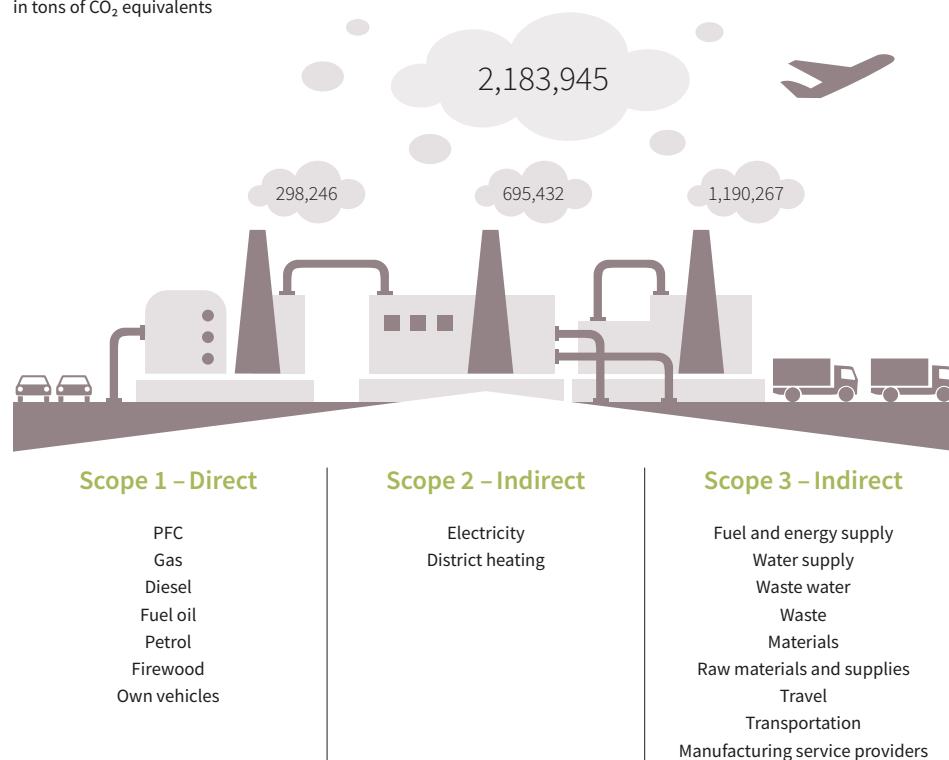
² Based on the regional or national grid average (location-based accounting), our scope 2 emissions are 924,168 tons of CO₂ equivalents.

Scope 3 emissions

Scope 3 emissions refer to 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 1,190,267 tons of CO₂ equivalents.

The following emissions have been included in the calculation of the Infineon carbon footprint:¹

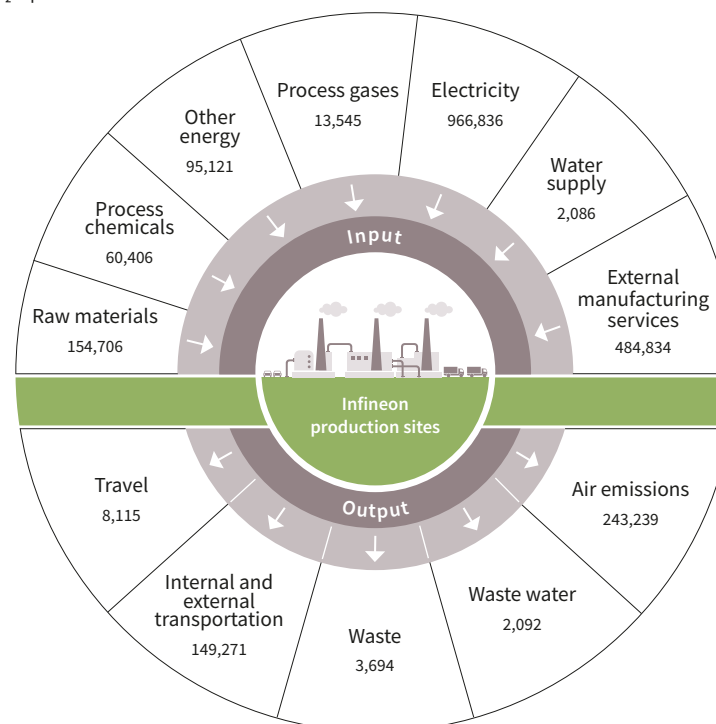
CHART 21 CO₂ burden
in tons of CO₂ equivalents



The Infineon environmental footprint in the 2021 fiscal year was around 2.18 million tons of CO₂ equivalents. **CHART 21** Compared to the last fiscal year, this increase can be mainly explained by the inclusion of the data from Cypress.

CHART 22 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 22 Allocation input and output of emissions by origin
in tons of CO₂ equivalents



Water management

Infineon's water balance for the 2021 fiscal year is shown in schematic form in [CHART 23](#).

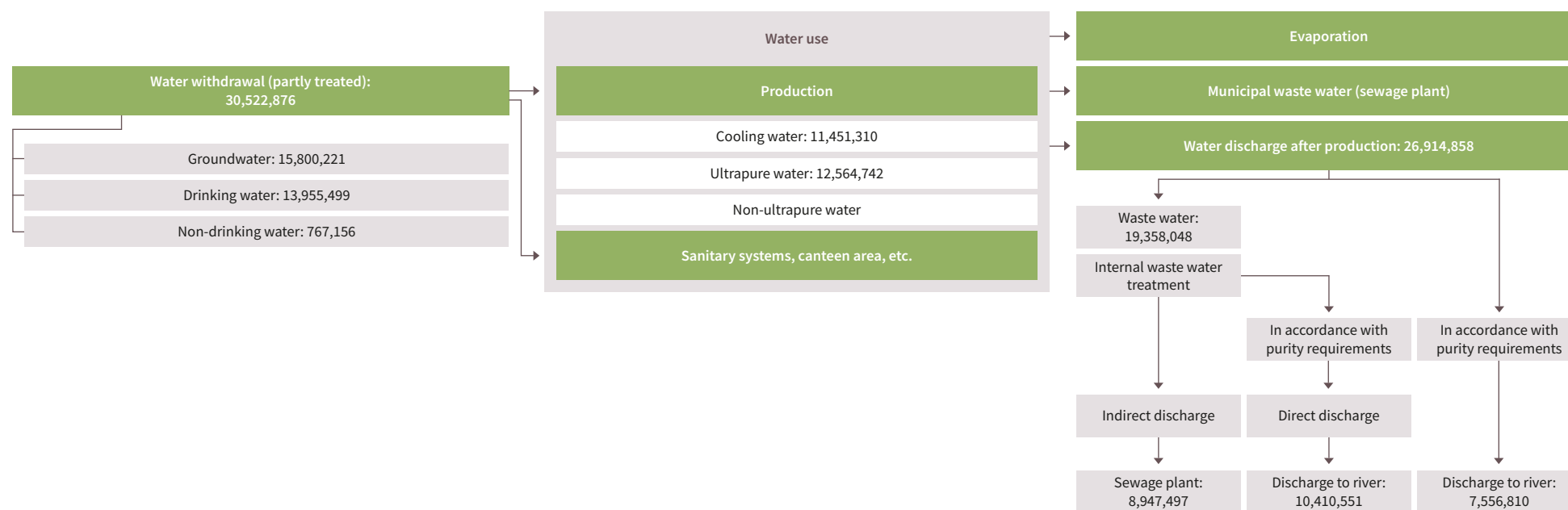
Water is used at our manufacturing sites, for example, to cool equipment or to generate ultrapure water. A significant share of our water withdrawal, which is used as cooling water, is returned in at least the same degree of purity.

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, 2,419,080 cubic meters (19.25 percent) of ultrapure water and 1,943,109 cubic meters (10.04 percent) of production waste water were reused.

CHART 23 Water balance

in cubic meters



Infineon withdrew 30,522,876 cubic meters of water during the reporting year. Infineon 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 24](#).

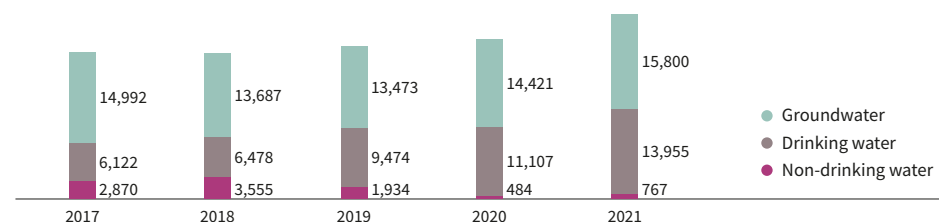
After water has exited the production area, it is either directly or indirectly discharged, depending on its level of purity, the technical conditions and official regulations. The percentage of water discharged is shown in [CHART 25](#).

The WSC has defined water consumption in liters per square centimeter of manufactured wafer as the unit for measuring the efficiency of water use. The Infineon frontend sites consumed approximately 17 percent less water to manufacture a square centimeter wafer in the 2020 calendar year than the global average of the WSC. [CHART 26](#)

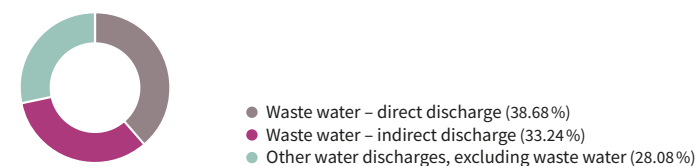
In this reporting year, we carried out an assessment of the potential risks of water stress, using the Aqueduct Water Risk Atlas (with reference to Aqueduct 3.0 data) released by the World Resources Institute. Areas with a high or extremely high risk of water stress can be identified. Our review revealed that only three of our sites are in such areas: Mesa (USA), Temecula (USA) and Tijuana (Mexico). The water withdrawal at these three sites comprises 1.84 percent of our total water withdrawal. These sites only use water provided by local suppliers. To reduce the demand for fresh water, the three sites implement effective water recycling measures using reverse osmosis systems. The water discharge after production (for instance, into municipal sewage plants) for these three sites is 1.07 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 fiscal 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 24](#) Water withdrawal
rounded, in thousand cubic meters



[CHART 25](#) Water discharges



[CHART 26](#) Standardized water consumption
per square centimeter manufactured wafer



¹ Frontend sites worldwide.

To improve sustainable water consumption, we promote the exchange of knowledge through a best practice sharing program involving the major production sites and the corporate headquarters Campeon (Germany).

A high priority is given to sustainable water consumption, as well as to our commitment to and communication with our stakeholders. 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

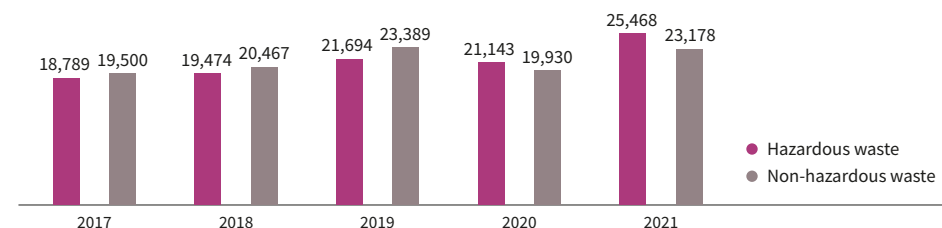
Our sustainable waste management is based on the classification and separation of waste and the use of safe disposal methods. In the 2021 fiscal year, the total amount of waste generated was 48,646 tons, with 23,178 tons classified as non-hazardous and 25,468 tons classified as hazardous. [CHART 27](#) Besides statutory requirements, the greatest impact on the amounts of waste generated and the disposal methods used comes from fluctuating production. In the 2021 fiscal year, 66.03 percent of the non-hazardous waste and 55.20 percent of the hazardous waste was sent to recycling. The percentages of the various waste disposal methods are illustrated in [CHART 28](#).

The WSC has defined the waste generated in grams per square centimeter manufactured wafer as the unit for measuring the efficiency of waste management. Compared to the WSC global average, in the 2020 calendar year our worldwide frontend sites generated approximately 67 percent less waste per square centimeter manufactured wafer. [CHART 29](#)

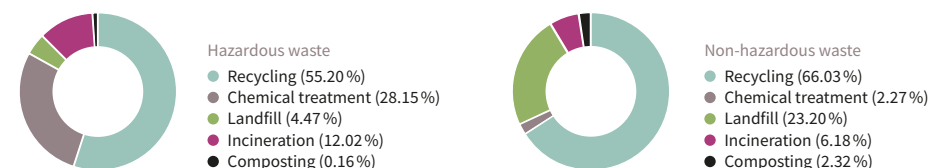
The main aspect of our sustainable waste management is naturally the avoidance of waste. Infineon requires solvents in its manufacturing. After use, these can, if technically and economically feasible, be purified to such an extent by distillation that they can be reused as solvents. On the one hand, this reduces the purchase of new goods and, on the other hand, it reduces the waste generated. In the 2021 fiscal year, 176.38 tons of the solvent propylene glycol methyl ether acetate (PGMEA) was recovered externally by distillation of waste containing PGMEA and reused in manufacturing.

[CHART 27](#) Waste generation

in tons

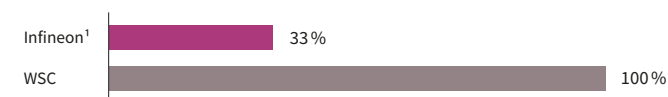


[CHART 28](#) Waste disposal methods for hazardous and non-hazardous waste



[CHART 29](#) Standardized waste generation

per square centimeter manufactured wafer



¹ Frontend sites worldwide.



Contribution through sustainable products

Ecologically positive carbon footprint: During their use-phase, Infineon products enable CO₂ emission savings of more than 72 million tons of CO₂ equivalents.

TARGETS

p. 45 ff.

Material topics

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



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. "These are two sides of the same coin. Our products are essential components of the mobility and energy revolution. We feel responsible in equal measure for our company and for reducing our footprint. Driving forward digitalization will help us optimize our resource efficiency", says Constanze Hufenbecher, Chief Digital Transformation Officer of Infineon.

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 address 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 under "Strategic focus" in the "The segments" chapter in the Annual Report 2021. [p. 61 f., p. 66 f., p. 71 f. and p. 76 f. of the Annual Report 2021](#)

Semiconductors from Infineon help generate electricity from renewable energy sources. They also offer increased efficiency at all stages of the value chain in the energy sector: in generation, transmission and in particular in the use of electricity. They form a basis for the intelligent and efficient use of energy: in industrial applications, power supplies for computers and consumer electronics as well as in motor vehicles. Semiconductors 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 improve operational efficiency and thus reduce power losses. Infineon products are also used in technology fields such as LED¹ lamps or induction cookers. Our high-performance products also enable the production of energy from renewable sources using large wind power turbines and photovoltaic systems.

¹ LED: Light-emitting diode.

The Infineon carbon footprint

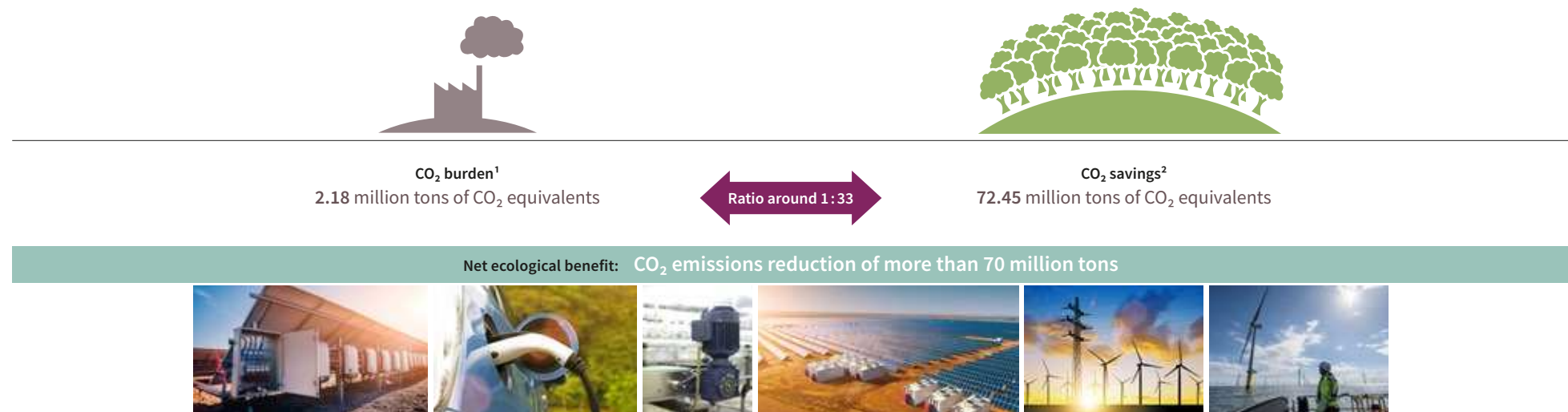
When calculating a carbon footprint, complex processes and a variety of influencing factors need to be considered. Therefore, carbon footprint calculations are subject to certain estimates. We have continued to optimize our approach in order to improve the accuracy of such estimates.

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, servers, lighting, photovoltaics, wind energy, cell phone chargers and induction cookers), our products can achieve CO₂ savings during their lifetime of 72.45 million tons of CO₂ equivalents. That corresponds to the average annual electricity consumption of more than 119 million inhabitants in Europe.

Thus, with its products and innovations in combination with efficient production, Infineon achieved an environmental net benefit of more than 70 million tons of CO₂ equivalents. [CHART 30](#)

CHART 30 Infineon carbon footprint



¹ This figure takes into account manufacturing, transportation, own vehicles, travel, raw materials and consumables, chemicals, 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 2021 fiscal year.

² This figure is based on internally established criteria, which are described in the explanatory notes. The figure relates to the 2020 calendar year and takes into account the following application areas: automotive electronics, lighting (LED), induction cookers, servers, renewable energy (wind, photovoltaics) and cell phone chargers as well as industrial drives. 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: more energy efficiency and reliability for telecom power supply applications – CoolGaN™ by Infineon

A powerful state-of-the-art telecommunications infrastructure is essential for further digitalization. To meet the associated requirements, CoolGaN™ for telecom power supply applications offers maximum efficiency and reliability.

The core added value is lower energy consumption and CO₂ emissions in next-generation 4G and 5G telecoms. The power switches based on the wide bandgap material gallium nitride (GaN) offer excellent efficiency and high switching frequencies, leading to a new era in power electronics.

Among other things, the GaN components offer a sustainable lifetime of more than 15 years. However, the CoolGaN™ family is not only suitable for industrial applications, but also for consumer applications such as adapters, chargers, wireless charging and Class D audio amplifiers. Therefore, the benefits of high-performance and energy-efficient technology can be experienced in industry as well as in everyday life.

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 policy 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 Infineon products to meet legal requirements in their applications. Infineon products comply with the substances 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 consortium (DA: Die Attach, five cooperation partners), we are working to find lead-free alternatives for high-temperature solders, which are necessary for specific applications because of their properties.



Our responsibility along the supply chain

Our suppliers are obligated to comply with our Supplier Code of Conduct¹.

TARGETS

p. 45 ff.

Material topics

- › Contribution through sustainable products
- › Responsible manufacturing



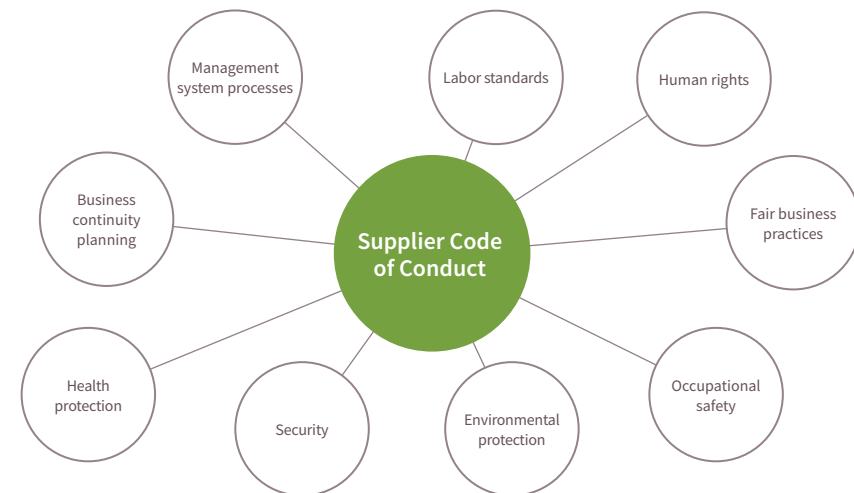
A long-term partnership between Infineon and its suppliers is a core element of our corporate philosophy. As part of this partnership, all our suppliers are managed centrally in a supplier management portal where data is updated as necessary.² This system is also used to evaluate suppliers. Compliance with our requirements in the areas of environmental protection, occupational safety and health as well as corporate social responsibility (CSR) is highly relevant when selecting new suppliers and evaluating existing suppliers, as well as for decisions regarding future supplier development.

Our Supplier Code of Conduct is based on internationally recognized guidelines, such as the Principles of the UN Global Compact and the fundamental principles of the International Labour Organization as well as our Business Conduct Guidelines. The requirements described therein cover the topics shown in the Supplier Code of Conduct diagram. **CHART 31** 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. Only suppliers that have committed to our basic principles can enter into a business relationship with us. Our expanded supplier management portal offers our suppliers a central portal for registration and the 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.

CHART 31 Supplier Code of Conduct



¹ Formerly: Principles of Procurement.

² Our procurement processes are currently still in the harmonization phase following the acquisition of Cypress and will apply accordingly once the harmonization phase has been completed.

More than 100 new suppliers and new subsidiaries of existing suppliers are 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 only approved 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. Each year, around 400 existing suppliers, representing approximately 75 percent of the procurement volume, are re-evaluated with regard to the topics mentioned.

Infineon products without DRC¹ conflict minerals

The US Dodd-Frank Act (Dodd-Frank Wall Street Reform and Consumer Protection Act) was adopted in July 2010. It contains disclosure and reporting obligations for companies listed on stock exchanges in the USA concerning the utilization of “conflict minerals” that originate from the Democratic Republic of the Congo 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 Democratic Republic of the Congo 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 US 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 United States 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 OECD² 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 our requirements of 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 2021 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 assessment for Infineon products

The Democratic Republic of the Congo 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 2021 fiscal year and requested them to report cobalt smelters in their supply chain. To ensure transparency, we are making the result of our assessment available to our customers in the form of a Cobalt Declaration (Cobalt Reporting Template).

1 DRC: Democratic Republic of the Congo.

2 OECD: Organisation for Economic Co-operation and Development.



Corporate citizenship

Infineon is currently engaged in corporate citizenship activities in 19 countries.

TARGETS

p. 45 ff.

Material topic

> Corporate citizenship



Infineon and its employees understand corporate citizenship as a voluntary social 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 specifies the role of central functions and of the Management Board as part of the request and approval process.

Infineon supported 153 activities worldwide in the 2021 fiscal year. 6 percent of the donations were local investments in the communities with which we interact, and 94 percent were donations to charitable purposes.

Our corporate citizenship expenditure in the 2021 fiscal year is illustrated in [CHART 32](#).

CHART 32 Corporate citizenship expenditure 2021¹

in €



¹ As a result of the coronavirus pandemic, employee volunteering could not take place as planned.

Examples of the corporate citizenship activities of Infineon in the 2021 fiscal year



Environmental Sustainability

- › Support for the construction of a solar-powered desalination plant, which produces around 10,000 liters of clean drinking water per day (Kenya)
- › Support for planting cherry trees in Carinthia for the preservation of nature and habitats (Austria)



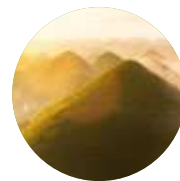
Education for Future Generations

- › Support for local schools via the donation of laptops to promote the learning environment (Indonesia)
- › Sponsorship of education in STEM subjects (Science, Technology, Engineering and Mathematics) and of robotics competitions (USA)
- › Support for children in need via the donation of laptops for homeschooling during the coronavirus pandemic (Singapore)
- › Support for MINT¹-Labs Regensburg to promote education for young people in science, technology, engineering and mathematics (Germany)



Local Social Needs

- › Donation to Asociația Dăruiește Viață for the construction of a national children's hospital to treat cancer, serious illness and trauma (Romania)
- › Donation to Fondazione Città della Speranza for advanced diagnostics in pediatric oncology (Italy)
- › Donation to Community Solutions to support the homeless (USA)
- › Donation to kbo-Kinderzentrum München for the construction of a new center for social pediatrics and developmental rehabilitation (Germany)



Responding to Natural and Humanitarian Disasters

- › Support for food aid program for the victims of the adverse weather conditions in the state of Texas (USA)
- › Support for the victims of devastating floods (Germany)

¹ MINT: Mathematics, IT, Natural Sciences and Technology.

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)
- › Advanced Research & Technology for EMbedded Intelligent Systems (ARTEMIS-IA)
- › Alliance for Internet of Things Innovation (AIOTI)
- › Association for European NanoElectronics ActivitieS (AENEAS)
- › Association representing the Smart Security Industry (EUROSMART)
- › CAR 2 CAR Communication Consortium (C2C-CC)
- › Charter of Trust
- › China Semiconductor Industry Association (CSIA)
- › Computing Technology Industry Association (CompTIA)
- › European Quantum Industry Consortium (QuIC)
- › European Semiconductor Industry Association (ESIA)
- › European Technology Platform on Smart Systems Integration (EPoSS)
- › Federal Association for Information Technology, Telecommunications and New Media (BITKOM)
- › Federation of Austrian Industries (IV)
- › German Association of the Automotive Industry (VDA)
- › German Electrical and Electronic Manufacturers' Association (ZVEI)
- › Global Semiconductor Alliance (GSA)
- › Groupe Speciale Mobile Association (GSMA)
- › Quantum Technology & Application Consortium (QUTAC)

- › SEMI (formerly: Semiconductor Equipment and Materials International)
- › US Semiconductor Industry Association (SIA)
- › World Semiconductor Council (WSC; organization of regional semiconductor associations)




Standardization organizations

- › Automotive Industry Action Group (AIAG)
- › AUTomotive Open System ARchitecture (AUTOSAR)
- › Bluetooth Special Interest Group (Bluetooth SIG)
- › Connectivity Standards Alliance (CSA)
- › European Telecommunications Standards Institute (ETSI)
- › 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 Forum (NFC Forum)
- › Trusted Computing Group (TCG)
- › Universal Serial Bus Implementers Forum (USB-IF)








Others




- › European Cyber Security Organisation (ECISO)
- › Platform Industrial Internet
- › Responsible Minerals Initiative (RMI)
- › United Nations Global Compact

Our sustainability targets

Targets for the 2021 fiscal year		Status	Description
 Overall goals	Aim to complete in the 2021 fiscal year the harmonization of processes and definitions required for the consolidation, so that the non-financial data from Cypress will be incorporated into the Sustainability Report 2021.	●	The consolidation was successfully completed, with the result that the non-financial data relating to Cypress has been incorporated into the Sustainability Report 2021.
	In addition to financial targets, ESG targets relating to climate protection and diversity will help determine the variable remuneration element of the Management Board's compensation under a new scheme designed by the Supervisory Board. Implement this in the near future in the current Management Board members' employment contracts once it has been approved at the Annual General Meeting. Request an external independent "reasonable assurance engagement" of these ESG targets in the next few fiscal years.	●	At the Annual General Meeting in February 2021, the new compensation system (including the ESG targets) was approved. The service contracts of the Management Board members in office were revised accordingly. Whereas most of the compensation-related changes are effective from 1 October 2021 and therefore apply to the 2022 fiscal year, the new ESG targets already apply with respect to the 2021 fiscal year. The ESG targets were the subject of an external reasonable assurance audit.
 Business ethics	Establish a unified compliance organization, appoint compliance officers and implement the Infineon Compliance Management System at the locations formerly operated by Cypress.	①	In the 2021 fiscal year, a unified compliance organization was established, with the appointment of compliance representatives at the sites formerly operated by Cypress. At those sites, these appointed contacts are responsible for the implementation of the Compliance Management System.
 Human rights	Continue to develop a methodology for a due diligence review of the global supply chain to ensure human rights are respected, by categorizing in terms of potential country risks.	●	Infineon continued to develop its methodology for conducting a due diligence review in the reporting year. Various aspects were identified to enhance sustainability in the supply chain. The results will be incorporated into a supply chain project that spans a number of functions.







● Target achieved ① In progress ○ Target not yet achieved




Targets for the 2021 fiscal year		Status	Description
 Human resources management	<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>In the 2021 fiscal year, the proportion of women at middle and senior management levels remained stable at 16 percent and is therefore an important step towards achieving our long-term target.</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>		<p>In the 2021 fiscal year, we achieved the global target we had set ourselves, with 83 percent of employees agreeing with the statements “I would 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>
	<p>At least 90 percent of all our managers (from Senior Manager¹ 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, to 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>In the course of the leadership dialogs, managers receive structured feedback from their employees. This enables them to reflect on their own management behavior, recognize their strengths and identify potential improvements, thereby improving collaboration with and within the team. As a result of the ongoing exceptional situation caused by the coronavirus pandemic, some dialogs were conducted virtually, while others were postponed. Currently, around 75.7 percent² of managers (previous year: 72.0 percent) have conducted their leadership dialogs.</p>
 Protection of our employees	<p>Integrate the three main locations formerly operated by Cypress into the behavior-based safety program by introducing the seven Golden Rules of Safety, and implement this program at regular occupational safety training sessions at these locations.</p>		<p>The three main locations formerly operated by Cypress were integrated into the regular cycle of meetings. However, as a result of the occurrence of infection in the 2021 fiscal year, the focus was on the introduction and observance of protective measures against the coronavirus.</p>
	<p>Continue the behavior-based safety program by implementing a defined focus area at the main production sites and the corporate headquarters Campeon (Germany).</p>		<p>During the coronavirus pandemic, our activities concentrated on protecting our employees. Here, we operated in accordance with our seven Golden Rules of Safety: for example, we procured protective masks to reduce the risk of infection and organized special training sessions for our employees to make them aware of the principal ground rules concerning the prevention of infection.</p>

 Target achieved
  In progress
  Target not yet achieved

¹ Based on job titles in September 2020, now Director level.

² Excluding Cypress.

Targets for the 2021 fiscal year	Status	Description
 Environmental sustainability and climate protection		
Carbon neutrality		
<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 Greenhouse Gas Protocol. By the end of the 2025 fiscal year, emissions should already be reduced by 70 percent compared with the 2019¹ calendar year.</p>		<p>By the end of the 2021 fiscal year, our emissions were already 14.2 percent lower than the emissions in the base year 2019.</p>
Energy management		
<p>Implement projects and measures in the 2021 fiscal year to increase energy efficiency, giving total annual potential energy savings of 20 gigawatt hours. The implementation of site-specific measures in the area of infrastructure and manufacturing will support the achievement of this target.</p>		<p>In the 2021 fiscal year, we implemented measures which generated energy savings of more than 38 gigawatt hours.</p>
Greenhouse gas emissions		
<p>Install additional PFC abatement systems to achieve additive abatement of at least 30,000 tons of CO₂ equivalents.</p>		<p>The target was reached through the installation of additional PFC abatement systems, which achieved additive reductions of more than 37,000 tons of CO₂ equivalents.</p>
Water management		
<p>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 water consumption under 8.5 liters per square centimeter manufactured wafer. The measures for achieving this target include regularly occurring exchange between the sites for identification and realization of potential improvements.</p>		<p>Our specific water consumption was below 8.5 liters per square centimeter manufactured wafer.</p>
Waste management		
<p>Regardless of growing product complexity, our aim is to keep the specific waste generation below 27.5 grams per square centimeter manufactured wafer. The typically increasing complexity of our products requires an increase in the use of raw materials and supplies. This also means an increase in the amount of waste generated. Therefore, this target is a challenge and a practical reference unit for the effectiveness of our measures aimed at waste reduction. This target is to be achieved in particular through regularly occurring exchange between the sites for identification and implementation of potential improvements.</p>		<p>Our specific waste generation was below 27.5 grams per square centimeter manufactured wafer.</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.

Targets for the 2021 fiscal year		Status	Description
Contribution through sustainable products	Integrate the main locations formerly operated by Cypress into the Infineon carbon footprint.	●	The main locations formerly operated by Cypress were integrated into the Infineon carbon footprint calculation.
	Save at least 50 million tons of CO ₂ equivalents through our products during the use-phase of the application.	●	Savings of 72.45 million tons of CO ₂ equivalents through our products during the use-phase of the application.
Our responsibility along the supply chain	Maintain a DRC conflict-free supply chain and conduct re-evaluation of the use of conflict minerals for 100 percent of the relevant suppliers. Here, the dynamic development of the product portfolio and the resulting modification in the supplier topology, as well as the increase in customer-specific requirements, present a significant challenge.	●	In the 2021 fiscal year, an evaluation was conducted of 100 percent of suppliers of conflict minerals with regard to the origin and use of conflict minerals. This indicated that once again we have maintained a DRC conflict-free supply chain. We make the results of our evaluation available to our customers in the form of a Conflict Minerals Reporting Template (CMRT).
	Conduct a due diligence assessment of suppliers of products containing cobalt to create transparency in the supply chain regarding the origin of cobalt and publish the results in the form of a Cobalt Reporting Template (CRT).	●	In the 2021 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. We make the results of our evaluation available to our customers in the form of a Cobalt Reporting Template (CRT).
	Revise our Principles of Procurement ¹ in the 2021 fiscal year, especially regarding human rights and environmental protection, and publish them on the Infineon website.	●	Our Supplier Code of Conduct (formerly: Principles of Procurement) was revised with specific reference inter alia to human rights, environmental protection, conflict minerals and diversity. The Supplier Code of Conduct has been published on the Infineon website at: www.infineon.com/csr_reporting
Corporate citizenship	Implement the relevant activities conducted by Cypress in the Infineon corporate citizenship program by establishing the necessary corporate citizenship representatives and including them in existing cycles of training and meetings.	●	Successful implementation of the relevant activities conducted by Cypress in the Infineon corporate citizenship program by appointing the necessary corporate citizenship representatives and including them in existing cycles of training and meetings.


● Target achieved ● In progress ○ Target not yet achieved

¹ Document revised and renamed in the 2021 fiscal year.

Targets for the 2022 fiscal year




	Overall goals	<p>Set ambitious climate protection and diversity goals as part of the compensation system for the Management Board for the 2022 fiscal year.</p> <p>Incorporate the main sites formerly operated by Cypress into the integrated management system IMPRES by the end of the 2024 fiscal year by conducting internal systems audits at the main sites in the 2022 calendar year and obtaining external certification of the sites in the 2023 calendar year.</p>
	Business ethics	Adapt and continue to optimize the Compliance Management System, especially by recording, evaluating and implementing regulatory requirements such as those set out in current and proposed legislation (for instance, the EU Whistleblowing Directive).
	Human rights	Continue to develop a risk-based approach in the area of sustainability in supply chain management, by setting up a supply chain project spanning the various functions.
	Human resources management	<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> <p>At least 90 percent of all our managers (from 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	Integrate the three main locations formerly operated by Cypress into the behavior-based safety program by introducing the seven Golden Rules of Safety and implement this program at regular occupational safety training sessions at these locations.

Targets for the 2022 fiscal year

 Environmental sustainability and climate protection	Carbon neutrality
	Infiniteon 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 be reduced by 70 percent compared with the 2019 ¹ calendar year.
	Energy management
	Implement projects and measures in the 2022 fiscal year to increase energy efficiency, giving total annual potential energy savings of 20 gigawatt hours. The implementation of site-specific measures in the area of infrastructure and manufacturing will support the achievement of this target.
	Greenhouse gas emissions
	Implement measures that will generate total emission savings of 50,000 tons of CO ₂ equivalents by the end of the 2024 fiscal year.
	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. This is a long-term goal that is in accordance with our sustainability strategy. One of the measures for achieving this target is regular communication between the main sites so that potential improvements can be identified and implemented.
	Waste management
	Regardless of growing product complexity, 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. The typically increasing complexity of our products requires an increase in the use of raw materials and supplies. This also means an increase in the amount of waste generated. Therefore, this target is a challenge and a practical reference unit for the effectiveness of our waste reduction measures. This target should be reached in particular through regular communication between the sites so that potential improvements can be identified and implemented.

1 In line with our carbon neutrality goal, with the 2019 calendar year as the base year, the relevant data of Cypress are included.

Targets for the 2022 fiscal year

	Contribution through sustainable products	Update the calculation of the Infineon carbon footprint, considering all the segments.
	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. Here, the dynamic development of the product portfolio and the resulting modification in the supplier topology, as well as the increase in customer-specific requirements, present a significant challenge.</p> <p>Conduct a due diligence assessment for 100 percent of suppliers of products containing cobalt to create transparency in the supply chain regarding the origin of cobalt and publish the results in the form of a Cobalt Declaration.</p>
	Corporate citizenship	Evaluate our current reporting and management platform to make it more user-friendly and to improve the efficiency of the process by assessing internal requirements and possible external solutions.

UN Global Compact Communication on Progress

GRI 102-41

UN Global Compact Principles	Measures implemented
Human Rights	
Principle 1: Support for human rights Principle 2: Non-complicity in human rights abuses	<ul style="list-style-type: none"> › Our Business Conduct Guidelines define our responsibility towards our customers, employees, suppliers, community and societies as well as to our investors around the world, including respect for and protection of human rights. Our CSR Policy describes our strategic CSR focus areas and our voluntary commitment to fulfill the corresponding obligations. Both our strategic objectives and our daily actions must always be based on high ethical and legal standards. › Training for all employees on Business Conduct Guidelines which reflect our commitment to respect and uphold international human rights. New employees are automatically enrolled in web-based training or offered classroom-based training. Our employees must participate in regular training to keep their skills up to date. › We conducted various evaluations in the area of human rights at our manufacturing sites around the world. On the basis of these evaluations, we concluded that our activities are in compliance with the International Bill of Human Rights and with the conventions and fundamental principles of the International Labour Organization (Fundamental ILO Conventions). › We require our suppliers and service providers to comply with the requirements described in our Supplier Code of Conduct (formerly: Principles of Procurement). Infineon expects its suppliers to comply with human rights. A violation would result in consequences for the business relationship with the affected supplier.
Labor	
Principle 3: Uphold freedom of association Principle 4: Elimination of all forms of forced labor Principle 5: Abolition of child labor Principle 6: Elimination of discrimination	<ul style="list-style-type: none"> › Our Business Conduct Guidelines prohibit discrimination and any form of forced labor. › There are various options available for reporting compliance violations, ranging from a report to the supervisor to a report to the Corporate Compliance Officer or the relevant Regional Compliance Officer. Cases can also be submitted, openly or anonymously, via the Infineon Integrity Line. The Compliance Officer investigates any cases received and decides whether to launch an internal investigation. The Infineon Integrity Line is a whistleblower hotline which provides the reporting party with the opportunity for dialog with a Compliance Officer under the highest standards of data protection and without compromising anonymity. Infineon also investigates reports from people outside the company received through our reporting channels. › We react rigorously to demonstrated violations with balanced and suitable measures within the limits of company and legal regulations. Here we follow the principle of proportionality. We therefore decide on an individual case basis which consequences are appropriate, necessary and suitable. › Around 74 percent of our employees work at sites that have entered into collective agreements and where independent employee representatives are in place. › Around 85 percent of our employees work at production sites where committees are in place that also offer employers, employees and/or independent employee representatives the opportunity to discuss and receive advice on topics relating to environmental protection, occupational safety and health. › We uphold and promote the fundamental principles defined in the conventions of the International Labour Organization, such as protection from discrimination in the selection, hiring, employment and promotion of employees, and the right to form workers' councils, as well as the rejection of child labor and all forms of forced labor. Persons under the age of 15 are not allowed to work at Infineon. Exceptions apply for countries subject to ILO Convention 138 (minimum age reduced to 14 years) or for job training or training programs which are authorized by the relevant government and which demonstrably promote those participating.




UN Global Compact Principles	Measures implemented
Environment	
Principle 7: Precautionary approach to environmental protection	› Our IMPRES (Infineon Integrated Management Program for Environment, Energy, Safety and Health) is globally certified in accordance with ISO 14001 and ISO 45001. Our major European manufacturing sites and our corporate headquarters Campeon (Germany) are also certified in accordance with ISO 50001.
Principle 8: Support initiatives for greater awareness of environmental responsibility	› Our IMPRES policy is an essential part of our management system, which contains binding internal strategies, processes, goals and requirements in the areas of environmental protection, energy, occupational safety and health.
Principle 9: Development and diffusion of environmentally friendly technologies	› The responsible member of the Management Board defines the framework for the objectives in this area within the Infineon Group. As part of these definitions, the management responsible sets appropriate targets at site level and ensures the achievement of the targets. 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. By the end of the 2025 fiscal year, it should have already reduced CO ₂ emissions by 70 percent compared with the 2019 ¹ calendar year. › Internal environmental, energy, occupational safety and health audits and external certification audits take place at the sites in the context of our multi-site certification.
Anti-Corruption	
Principle 10: Action against corruption	› In order to further increase awareness of the topic of preventing corruption in the company, this topic has also been integrated into the web-based Business Conduct Guidelines training. In addition, a web-based training unit focusing specifically on prevention of corruption is continuously rolled out for particular target groups. All new employees belonging to these target groups are automatically signed up for mandatory, web-based training sessions. In addition, we conduct business partner checks to ensure that we only work together with law-abiding business partners with integrity. › There is a general description of how to report compliance violations in our Business Conduct Guidelines. Detailed descriptions of the reporting and notification process when there are violations of laws, the Business Conduct Guidelines or other internal regulations are also set out in our Global Rule on the management of compliance cases.



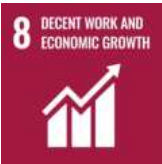


¹ In line with our carbon neutrality goal, with the 2019 calendar year as the base year, the relevant data of Cypress are included.

Sustainable Development Goals



The United Nations Agenda 2030 for Sustainable Development is an expression of the conviction of the international community of states that the global challenges we face can only be mastered together. The Agenda creates a foundation for shaping worldwide economic progress in harmony with social justice and within the ecological boundaries of the earth. The heart of the Agenda is an ambitious catalog with 17 Sustainable Development Goals. Infineon reports below on which measures have been or will be implemented for relevant goals and where our business model can contribute to realizing the goals of the Agenda 2030.

Goal	Description	Implementation at Infineon
	<i>Ensure healthy lives and promote well-being for all at all ages</i>	Training and continuing education in the area of environmental protection, occupational safety and health are available to employees, including specialized experts. In the 2021 fiscal year, our worldwide specialized experts in the areas of occupational safety and health, as well as in fire prevention, invested around 28,000 hours in training and continuing education measures. Infineon also offers projects in the area of ergonomics and health measures. In addition, all employees have the opportunity to report work-related accidents directly to their managers, the medical department or via our accident reporting tool to ensure the best and most rapid treatment possible.
	<i>Ensure inclusive and equitable quality education</i>	We are committed to high-quality education as a part of the focus area “Education for Future Generations” of our corporate citizenship program. 70 percent of Infineon’s donations and sponsoring activities relate to this area.
	<i>Achieve gender equality</i>	No one should be personally attacked, discriminated against, harassed or excluded because of their gender, age, ethnic origin or nationality, physical or mental ability, religion or ideology, or sexual orientation and identity. Our Business Conduct Guidelines reflect this. We take decisive action against every form of discrimination, sexual harassment, physical violence, coercion or verbal abuse. Employment of women and equal opportunity for women in taking on management roles is an integral part of Infineon’s Diversity & Inclusion policy and programs.

Goal	Description	Implementation at Infineon
	<i>Ensure availability and sustainable management of water and sanitation for all</i>	During the coronavirus pandemic, it becomes obvious how important it is to have access to clean water. Water is essential so that you can observe hygiene rules and avoid the risk of infection. This is why Infineon supported the construction of a solar-powered desalination plant in Kenya that will produce around 10,000 liters of clean drinking water a day.
	<i>Ensure access to affordable, reliable, sustainable and modern energy for all</i>	Semiconductors from Infineon enable more efficient production of electricity from renewable energy sources. Furthermore, they offer increased efficiency at all stages of the value chain in the energy industry: in generation, transmission and in particular in the use of electric energy. They form the basis for the intelligent and efficient use of electric energy – for example, in industrial applications, power supplies for computers and consumer electronics as well as in vehicles.
	<i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</i>	We respect and promote the fundamental principles set out in the International Labour Organization conventions in our daily actions. Infineon supports special activities that promote decent work opportunities for everyone. We also responded globally to the coronavirus pandemic in the 2021 fiscal year, ensuring that our employees had access to mobile working wherever possible. This involved rapidly ramping up IT to make digital collaboration possible, providing virtual learning opportunities and adopting hygiene measures as well as health and safety measures in the workplace.
	<i>Promote inclusive and sustainable industrialization and foster innovation</i>	Our environmental management system enables more efficient use of resources and the use of clean and environmentally friendly technologies and industrial processes. Infineon has defined specific processes for taking environmental aspects into account in the purchasing of manufacturing equipment and services.
	<i>Make cities and human settlements safe, resilient and sustainable</i>	Population growth and increasing urbanization require sustainable solutions for everyday applications. With its sensors, controllers, power semiconductors and security solutions, Infineon enables intelligent, secure and energy-efficient IoT solutions for smart homes, smart cities, Industry 4.0 and connected smart vehicles. Our components not only contribute to sustainable and efficient mobility. They also enable secure contactless payment systems as well as control systems and robotic solutions that work quickly and reliably. Additionally, they reduce dependence on physical contact, making everyday life easier and safer.

Goal	Description	Implementation at Infineon
	<i>Ensure sustainable consumption and production patterns</i>	The availability of natural resources is one of the largest global challenges. Efficient resources management is therefore a central part of IMPRES. The manufacture of semiconductors requires the use of chemicals, which we handle with a great sense of responsibility. As part of IMPRES, we commit to our responsibility in the supply chain by concentrating on the procurement of environmentally friendly materials for the manufacture of our products.
	<i>Take urgent action to combat climate change and its impacts</i>	We recognize the urgent global challenge of reducing greenhouse gas emissions. We contribute to this effort with innovative products and solutions that help reduce emissions during their entire use-phase. Ensuring resource efficiency in manufacturing is also an essential pillar of our sustainability strategy. 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. By the end of the 2025 fiscal year, emissions will be reduced by 70 percent compared with the 2019 ¹ calendar year. In addition, Infineon provides a transparent overview of greenhouse gas emissions as part of its annual reporting.
	<i>Protect, restore and promote sustainable use of terrestrial ecosystems</i>	In the context of the focus area Environmental Sustainability of our corporate citizenship program, we engage in special projects aimed at protecting ecosystems. An example of this is the financial support we provided to plant cherry trees in Carinthia (Austria) to preserve nature and habitats. Soil protection and biodiversity are generally a permanent part of IMPRES.
	<i>Promote just, peaceful and inclusive societies</i>	We promote a peaceful and equal society by complying with international standards and principles, such as the International Bill of Human Rights and the Principles of the UN Global Compact. We do not tolerate child labor and, with the Infineon Technologies Slavery and Human Trafficking Statement, we underline, for example, our complete rejection of any form of human trafficking or slavery. Our Business Conduct Guidelines set out a code of conduct which forms the essential foundation of our daily actions when dealing with one another and with our customers, investors, business partners and the general public. Our stakeholders also have opportunities, both internal and external, such as the anonymous Infineon Integrity Line, to report actual and suspected violations.

¹ In line with our carbon neutrality goal, with the 2019 calendar year as the base year, the relevant data of Cypress are included.

GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed the GRI Content Index to ensure that it is clearly presented and that the references for Disclosures 102-40 and 102-49 align with appropriate sections in the body of the Sustainability Report or Annual Report. The service was performed on the German version of the report.

Topic ¹	Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
GRI 100: Universal Standards			
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
1. Organizational profile			
102-1 Name of the organization	Cover, 70		
102-2 Activities, brands, products, and services		3 – 5	
102-3 Location of headquarters		91	
102-4 Location of operations		87, 91	
102-5 Ownership and legal form		96 – 98	
102-6 Markets served		60 – 79	
102-7 Scale of the organization	4		
102-8 Information on employees and other workers	17 – 23		
102-9 Supply chain	37 – 38		
102-10 Significant changes to the organization and its supply chain		125 – 128	
102-11 Precautionary Principle or approach	26, 50		
102-12 External initiatives	49 – 53		
102-13 Membership of associations	41		
2. Strategy			
102-14 Statement from senior decision-maker	2 – 3	6 – 9	
102-15 Key impacts, risks, and opportunities	9 – 13	109 – 123	
3. Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior	14 – 15		
102-17 Mechanisms for advice and concerns about ethics	14 – 15		

¹ The wording of the GRI Disclosures is based on the relevant GRI Standards.

	Topic	Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
4. Governance				
102-18	Governance structure	17, 24, 26, 39	128 – 151	
102-20	Executive-level responsibility for economic, environmental and social topics	14 – 40		
102-21	Consulting stakeholders on economic, environmental, and social topics	8 – 13		
5. Stakeholder engagement				
102-40	List of stakeholder groups	8		
102-41	Collective bargaining agreements	49		
102-42	Identifying and selecting stakeholders	8 – 10		
102-43	Approach to stakeholder engagement	8 – 10, GRI Content Index		For the definition of our stakeholders we evaluated international sustainability guidelines and directives, such as the OECD Guidelines for Multinational Enterprises, and applied the EFQM (European Foundation for Quality Management) Model for Excellence and the UN Global Compact Blueprint.
102-44	Key topics and concerns raised	8 – 10		
6. Reporting practice				
102-45	Entities included in the consolidated financial statements	GRI Content Index	225 – 230	www.infineon.com/annualreport
102-46	Defining report content and topic Boundaries	9 – 13		
102-47	List of material topics	10		
102-48	Restatements of information	9, GRI Content Index		The representation of information in the 2021 fiscal year has not significantly changed compared to the previous fiscal year.
102-49	Changes in reporting	GRI Content Index		The reporting of the 2021 fiscal year has not significantly changed compared to the previous fiscal year.
102-50	Reporting period	9		
102-51	Date of most recent report	9		
102-52	Reporting cycle	9		
102-53	Contact point for questions regarding the report	70		
102-54	Claims of reporting in accordance with the GRI Standards	9		
102-55	GRI content index	54 – 63		
102-56	External assurance	64 – 69	233 – 239	

Topic	Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
GRI 200: Economic Topics			
Economic performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	9 – 13	
103-2	The management approach and its components	14 – 40	
103-3	Evaluation of the management approach	14 – 40	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	39, GRI Content Index	2, 153 – 157
201-2	Financial implications and other risks and opportunities due to climate change	11 – 12	Retained economic value is not reported. Splitting direct economic value generated and distributed (EVG&D) by region or market is not relevant.
201-3	Defined benefit plan obligations and other retirement plans		166, 187 – 191
201-4	Financial assistance received from government	GRI Content Index	169
			Splitting of “received benefits” by country is not relevant. Governments do not participate in Infineon.
Indirect economic impacts			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	9 – 13	
103-2	The management approach and its components	14 – 40	
103-3	Evaluation of the management approach	14 – 40	
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	39 – 40	
203-2	Significant indirect economic impacts	GRI Content Index	20 – 34
			Through the use of products in which our semiconductors are used, Infineon has indirect economic impacts, for example, in efficiency improvements. The significance of those impacts was – due to external parameters – not determined in each individual case.
Anti-corruption			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	9 – 13	
103-2	The management approach and its components	14 – 15	
103-3	Evaluation of the management approach	14 – 15	

Topic		Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
GRI 205: Anti-corruption 2016				
205-2	Communication and training about anti-corruption policies and procedures	14 – 15, 50, GRI Content Index		Compliance training is also carried out at management level and Board level. Splitting training participation by individual regions or employees category is not a global control parameter for Infineon.
Anti-competitive Behavior				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components		112 – 115	
103-3	Evaluation of the management approach		112 – 115	
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		198 – 200	
Tax				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	9 – 13		
103-3	Evaluation of the management approach	9 – 13		
GRI 207: Tax 2019				
207-1	Approach to tax	15		The Tax Compliance and Governance Report can be downloaded from our website: www.infineon.com/tax_report
207-2	Tax governance, control, and risk management	15		The Tax Compliance and Governance Report can be downloaded from our website: www.infineon.com/tax_report
207-3	Stakeholder engagement and management of concerns related to tax	15		The Tax Compliance and Governance Report can be downloaded from our website: www.infineon.com/tax_report
207-4	Country-by-country reporting	GRI Content Index		In the countries in which it operates, Infineon pays all taxes in compliance with the tax laws applicable in the relevant jurisdiction. Further information and legally required disclosures on the subject of tax are provided in the Annual Report, so it is not necessary to disclose country-specific information here. www.infineon.com/annualreport

Topic	Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
GRI 300: Environmental Topics			
Energy			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	9 – 13	
103-2	The management approach and its components	26 – 33	
103-3	Evaluation of the management approach	26 – 33	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	27 – 28	
302-2	Energy consumption outside of the organization	27 – 28, 30, GRI Content Index	The description of scope 3 emissions is based on the Infineon carbon footprint, which includes the whole energy consumption of Infineon, and is reported in metric tons of CO ₂ equivalents. The other steps, that is, the use-phase of the products by the customer as well as their disposal, cannot be automatically calculated due to the different potential applications and fields of use of Infineon products.
302-3	Energy intensity	27 – 28, 30, GRI Content Index	Due to the confidentiality of specific information, Infineon reported the specific energy consumption in kilowatt hours per euro.
302-4	Reduction of energy consumption	44	
302-5	Reductions in energy requirements of products and services	34 – 36	
Water and effluents			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	9 – 13	
103-2	The management approach and its components	26 – 33	
103-3	Evaluation of the management approach	26 – 33	
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	31 – 33, GRI Content Index	Besides the water balance, information regarding water stress on the three sites is also provided. None of our suppliers has reported water-related risks.
303-2	Management of water discharge-related impacts water	31 – 33	
303-3	Water withdrawal	31 – 33, GRI Content Index	Since no salty seawater is used, the water utilized is considered as fresh water. The data is reported in percent.
303-4	Water discharge	31 – 33	
303-5	Water consumption	31 – 33, GRI Content Index	We report water withdrawal according to 303-3. Water discharge includes water from production, evaporation and municipal waste water. The data for water from production is available to us. However, the data for evaporation and municipal waste water is not available, thus the determination of water consumption cannot not take these data into account. Water storage is not relevant for us.

Topic		Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
Emissions				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	26 – 33		
103-3	Evaluation of the management approach	26 – 33		
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	28 – 30		
305-2	Energy indirect (Scope 2) GHG emissions	29 – 30		
305-3	Other indirect (Scope 3) GHG emissions	30		
305-4	GHG emissions intensity	28 – 30, GRI Content Index		Reported by the NER calculation. Herewith only PFC emissions were taken into account, since these are the most significant source of CO ₂ emissions.
305-5	Reduction of GHG emissions	44, 47, GRI Content Index		The avoided CO ₂ emissions were reported in the form of energy under Disclosure 302-4. These are corresponding to 19,948 tons CO ₂ equivalents.
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	29		
Effluents and waste				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	26 – 33		
103-3	Evaluation of the management approach	26 – 33		
GRI 306: Effluents and Waste 2016				
306-1	Water discharge by quality and destination	31 – 33		
306-2	Waste by type and disposal method	33		
Supplier environmental assessment				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	37 – 38		
103-3	Evaluation of the management approach	37 – 38		
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	37 – 38		

Topic	Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
GRI 400: Social Topics			
Employment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	9 – 13	
103-2	The management approach and its components	17 – 23	
103-3	Evaluation of the management approach	17 – 23	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	23	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	21	
Occupational health and safety			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	9 – 13	
103-2	The management approach and its components	24 – 25	
103-3	Evaluation of the management approach	24 – 25	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	13, 24	
403-2	Hazard identification, risk assessment, and incident investigation	24 – 25, GRI Content Index	Accidents can be reported at any time via clearly defined processes. Accident analysis and any necessary changes in the risk assessment are carried out by the required experts and, if necessary, the employee representation together with the employee.
403-3	Occupational health services	18 – 19, 24 – 25	
403-4	Worker participation, consultation, and communication on occupational health and safety	49	
403-5	Worker training on occupational health and safety	24	
403-6	Promotion of worker health	18 – 19	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	24 – 26, 37	

	Topic	Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
403-8	Workers covered by an occupational health and safety management system	24, 26, GRI Content Index		More than 80 percent of Infineon employees worldwide work at sites that are certified as part of our IMPRES Management System.
403-9	Work-related injuries	24 – 25, GRI Content Index		In addition to the general accident data, in the 2021 fiscal year we have sorted the information by gender. The female employees had an Injury Rate (IR) of 0.33 and a Lost Day Rate (LDR) of 6.40 and the male employees had an IR of 0.35 and a LDR of 5.52. In the 2021 fiscal year, Infineon received no notifications worldwide of employees who described their gender as “diverse”. Reporting of the accident rate and lost days rate by region is not a global control parameter. Infineon has currently no globally harmonized information for the reporting of occupational diseases. The absenteeism rate is not a global control parameter.

Training and education

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	17 – 23		
103-3	Evaluation of the management approach	17 – 23		

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee	20 – 21		
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Diversity and equal opportunity

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	17 – 23		
103-3	Evaluation of the management approach	17 – 23		

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees	15, 19 – 20		
405-2	Ratio of basic salary and remuneration of women to men	22, GRI Content Index		Gender differences have no impact on remuneration. Each employee receives appropriate, transparent remuneration for their work, in compliance with all legal standards.

Non-discrimination

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	14 – 15		
103-3	Evaluation of the management approach	14 – 15		

Topic		Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	14 – 15		
Forced or compulsory labor				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	14 – 15, 16, 37 – 38		
103-3	Evaluation of the management approach	14 – 15, 16, 37 – 38		
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	37 – 38		
Human rights assessment				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	16		
103-3	Evaluation of the management approach	16		
GRI 412: Human Rights Assessment 2016				
412-2	Employee training on human rights policies or procedures	16, GRI Content Index		Infineon carried out more than 15,500 hours of training on the Code of Conduct (Business Conduct Guidelines). This also includes information related to human rights.
Local communities				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	39 – 40		
103-3	Evaluation of the management approach	39 – 40		
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments and development programs	8, 39 – 40		
413-2	Operations with significant actual and potential negative impacts on local communities	GRI Content Index		During the 2021 fiscal year, our worldwide corporate citizenship representatives did not find any adverse effects.

Topic		Page Report Sustainability at Infineon 2021	Page Annual Report 2021	Remark
Supplier social assessment				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	16, 37 – 38		
103-3	Evaluation of the management approach	16, 37 – 38		
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	37 – 38		
Customer health and safety				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	34 – 36		
103-3	Evaluation of the management approach	34 – 36		
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	36		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI Content Index		During the 2021 fiscal year, Infineon did not identify any incidents of non-compliance with regulations and voluntary codes related to the impacts of products and services on health and safety.
Marketing and labeling				
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	9 – 13		
103-2	The management approach and its components	34 – 36		
103-3	Evaluation of the management approach	34 – 36		
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	36		

Assurance Reports

Assurance Report of the Independent Auditor regarding Sustainability Information¹

To the Management Board of Infineon Technologies AG, Neubiberg

We have performed an independent limited assurance engagement on the sustainability information published in “Sustainability at Infineon – Supplementing the Annual Report 2021” (further: “Report”) including the “Explanatory Notes” of Infineon Technologies AG (further: “Infineon”) for the fiscal year from October 1, 2020 to September 30, 2021, published in the Report as well as at www.infineon.com/csr_reporting.

For the following non-financial disclosures, we performed a reasonable assurance engagement:

- › Proportion of women in management positions
- › Technical PFC reduction and energy efficiency measures
- › CO₂ emissions (Scope 1 and 2) for fiscal year 2020/2021 and calendar year 2019 (incl. Cypress).

The selected non-financial disclosures are referred to below as “Proportion of women in management positions” and “CO₂ emissions and reduction”.

Management's Responsibility

The legal representatives of Infineon are responsible for the preparation of the reporting in accordance with the principles and standard disclosures of the GRI Sustainability Reporting Standards of the Global Reporting Initiative, in combination with internal guidelines, as well as internally developed criteria for the reporting and calculation of the indicator “CO₂ savings enabled through our products” (further: Reporting Criteria).

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the assured information and the use of assumptions and estimates for individual sustainability disclosures which are reasonable under the given circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the information in a way that is free of – intended or unintended – material misstatements.

Practitioner's Responsibility

Our responsibility is to express a conclusion with limited assurance on the sustainability information in the Report including the “Explanatory Notes” and with reasonable assurance on the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction” based on our work performed.

We conducted our work on the sustainability information in the Report including the “Explanatory Notes” in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” published by the International Auditing and Assurance Standards Board (IAASB) as a limited assurance engagement. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the sustainability information in the Report including the “Explanatory Notes”, published online at www.infineon.com/csr_reporting for the period from October 1, 2020 to September 30, 2021, has not been prepared, in all material respects, with the aforementioned Reporting Criteria. We do not, however, issue a separate conclusion for each sustainability disclosure. In a limited assurance engagement, the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

¹ Our engagement applied to the German version of the Report. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

Within the scope of our engagement, we performed amongst others the following procedures:

- › Interviewing employees at Group level in order to gain an understanding of the process for determining material sustainability topics and the respective boundaries of Infineon
- › A risk analysis, including a media search, to identify relevant sustainability aspects for Infineon in the reporting period
- › Reviewing the suitability of internally developed Reporting Criteria
- › Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring of sustainability disclosures included in the scope of this engagement, including the consolidation of the data
- › Inquiries of personnel at Group level responsible for determining disclosures on concepts, due-diligence processes, results and risks, for conducting internal controls and consolidation of the disclosures
- › Evaluation of selected internal and external documentation
- › An analytical review of the data and trend explanations of quantitative information submitted by all sites for consolidation at Group level
- › Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data based on samples at Dresden (Germany) and Kulim (Malaysia)
- › Assessment of the overall presentation of the disclosures

For the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction”, we conducted our work in the form of a reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). Accordingly, we have to comply with our professional duties and to plan and perform the assurance engagement in such a way that we, respecting the principle of materiality, reach our conclusion with a reasonable level of assurance. The choice of assurance procedures is subject to the auditor’s own judgement. Within the scope of our reasonable assurance engagement we performed, amongst others, the following procedures:

- › A risk analysis, including a media research of relevant information about Infineon’s sustainability performance in the reporting period with respect to the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction”
- › Evaluation of the design and implementation of systems and processes for identifying, processing and monitoring disclosures, including the consolidation of data for the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction”
- › Performing control-based assurance procedures to assess the design and effectiveness of internal controls for determining, processing and monitoring of disclosures, including the consolidation of data at the Group level for the selected non-financial disclosures “CO₂ emissions and reduction”
- › Performing substantive assurance procedures, in particular reviewing internal and external documentation for the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction”

- › Analytical evaluation of data and trends of quantitative disclosures for the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction” which are reported by all sites to Group level for consolidation
- › Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data for the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction” at the sites in Regensburg and Dresden (Germany), Villach (Austria), Kulim (Malaysia) and Austin (United States of America)

In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

Assurance of the auditor's independence and quality

In performing our engagement, we have complied with the independence and quality assurance requirements of national laws and professional standards, in particular the Professional Code of Ethics for Public Accountants and Certified Public Accountants and the IDW Quality Assurance Standard: Requirements for Quality Assurance in Auditing Practice (IDW QS 1).

Conclusion

Based on the procedures performed and the evidence received to obtain assurance, nothing has come to our attention that causes us to believe that the sustainability information published in “Sustainability at Infineon – Supplementing the Annual Report 2021” including the “Explanatory Notes” published online at www.infineon.com/csr_reporting, for the fiscal year from October 1, 2020 to September 30, 2021, is not prepared, in all material respects, in accordance with the Reporting Criteria.

In our opinion, the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction” of Infineon for the period from October 1, 2020 to September 30, 2021 have been prepared, in all material respects, in accordance with the Reporting Criteria.

Restriction of Use / Clause on General Engagement Terms

This assurance report is issued for the purposes of the Executive Board of Infineon Technologies AG, Neubiberg only. We assume no responsibility with regard to any third parties.

Our assignment for the Executive Board of Infineon Technologies AG, Neubiberg and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Munich, 25. November 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Stauder
Wirtschaftsprüfer
[German Public Auditor]

Vogl
Wirtschaftsprüferin
[German Public Auditor]

Assurance Reports

Assurance Report of the Independent Auditor regarding the Combined Separate Non-Financial Report¹

To the Supervisory Board of Infineon Technologies AG, Neubiberg

We have performed an independent limited assurance engagement on the Combined Separate Non-Financial Report (further: “Report”) of Infineon Technologies AG and the Group (further: “Infineon”) as well as the sections “Business model”, “Risk and opportunity report”, “The segments – Strategic deployment”, “R&D sites”, “Manufacturing sites” and “Corporate Governance Report” of the Combined Management Report, which have been qualified as part of the Report by reference, according to Sections 315b and 315c in conjunction with 289b to 289e HGB (German Commercial Code) for the fiscal year from October 1, 2020 to September 30, 2021.

For the following non-financial disclosures, we performed a reasonable assurance engagement:

- › Proportion of women in management positions
- › Technical PFC reduction and energy efficiency measures
- › CO₂ emissions (Scope 1 and 2) for fiscal year 2020/2021 and calendar year 2019 (incl. Cypres).

The selected non-financial disclosures are referred to below as “Proportion of women in management positions” and “CO₂ emissions and reduction”.

Management’s Responsibility

The legal representatives of Infineon are responsible for the preparation of the Report in accordance with Sections 315b and 315c in conjunction with 289b to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Practitioner’s Responsibility

Our responsibility is to express a conclusion with limited assurance on the Report, including the selected qualifying sections in the Combined Management Report, and with reasonable assurance on the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction” based on our work performed.

We conducted our work on the Report, including the selected qualifying sections in the Combined Management Report, in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, published by the International Auditing and Assurance Standards Board (IAASB), as a limited assurance engagement. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Report, including the selected qualifying sections in the Combined Management Report, for the period from October 1, 2020 to September 30, 2021 has not been prepared, in all material respects, in accordance with Sections 315b and 315c in conjunction with 289b to 289e HGB. We do not, however, provide a separate conclusion for each disclosure. In a limited assurance engagement, the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor’s own judgement.

¹ Our engagement applied to the German version of the Report 2021. This text is a translation of the Independent Assurance Report issued in the German language, whereas the German text is authoritative.

Within the scope of our engagement, we performed amongst others the following procedures:

- › Interviewing employees at Group level in order to gain an understanding of the process for determining material sustainability topics and the respective boundaries of Infineon
- › A risk analysis, including a media research, to identify relevant sustainability aspects for Infineon in the reporting period
- › Reviewing the suitability of internally developed Reporting Criteria
- › Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring of disclosures relating to environmental, employee and social matters, respect for human rights and combating corruption and bribery, including the consolidation of the data
- › Inquiries of personnel at Group level who are responsible for determining disclosures on concepts, due-diligence processes, results and risks, for conducting internal controls and consolidation of the disclosures
- › Evaluation of selected internal and external documentation
- › An analytical review of the data and trend explanations of quantitative information submitted by all sites for consolidation at Group level
- › Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data based on samples at Dresden (Germany) and Kulim (Malaysia)

- › Reconciliation of disclosures in the combined separate non-financial report with the corresponding disclosures in the consolidated financial statements and the Combined Management Report

- › Assessment of the overall presentation of the disclosures

For the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction”, we conducted our work in the form of a reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). Accordingly, we have to comply with our professional duties and to plan and perform the assurance engagement in such a way that we, respecting the principle of materiality, reach our conclusion with a reasonable level of assurance. The choice of assurance procedures is subject to the auditor’s own judgement. Within the scope of our reasonable assurance engagement we performed, amongst others, the following procedures:

- › A risk analysis, including a media research of relevant information about Infineon’s sustainability performance in the reporting period with respect to the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction”
- › Evaluation of the design and implementation of systems and processes for identifying, processing and monitoring disclosures, including the consolidation of data for the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction”
- › Performing control-based assurance procedures to assess the design and effectiveness of internal controls for determining, processing and monitoring of disclosures, including the consolidation of data at the Group level for the selected non-financial disclosures “CO₂ emissions and reduction”

- › Performing substantive assurance procedures, in particular reviewing internal and external documentation for the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction”
- › Analytical evaluation of data and trends of quantitative disclosures for the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction” which are reported by all sites to Group level for consolidation
- › Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data for the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction” at the sites in Regensburg and Dresden (Germany), Villach (Austria), Kulim (Malaysia) and Austin (United States of America)

In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

Assurance of the auditor's independence and quality

In performing our engagement, we have complied with the independence and quality assurance requirements of national laws and professional standards, in particular the Professional Code of Ethics for Public Accountants and Certified Public Accountants and the IDW Quality Assurance Standard: Requirements for Quality Assurance in Auditing Practice (IDW QS 1).

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report of Infineon including the selected qualifying sections in the Combined Management Report, for the fiscal year from October 1, 2020 to September 30, 2021, is not prepared, in all material respects, in accordance with Sections 315b and 315c in conjunction with 289b to 289e HGB.

In our opinion, the selected non-financial disclosures “Proportion of women in management positions” and “CO₂ emissions and reduction” of Infineon for the period from October 1, 2020 to September 30, 2021 have been prepared, in all material respects, in accordance with Sections 315b and 315c in conjunction with 289c to 289e HGB.

Restriction of Use / Clause on General Engagement Terms

This assurance report is issued for the purposes of the Supervisory Board of Infineon Technologies AG, Neubiberg, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of Infineon Technologies AG, Neubiberg and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million. as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Munich, 25. November 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Stauder
Wirtschaftsprüfer
[German Public Auditor]

Vogl
Wirtschaftsprüferin
[German Public Auditor]

Imprint

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Notes:

The following were brand names of Infineon Technologies AG in the 2021 fiscal year: Infineon, the Infineon logo and CoolGaN™.

Forward-looking statements

This report contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group. These statements are based on assumptions and projections resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks. Actual business development may therefore differ materially from what has been expected. Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

Infineon Technologies AG

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