

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 2022 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 2022 fiscal year has been published in the Annual Report 2022. www.infineon.com/annualreport

In the 2022 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. 18 ff. of the Annual Report 2022](#)

In accordance with the EU Taxonomy Regulation and the related Delegated Acts, we disclose in this report for the first time the proportion of our Taxonomy-eligible Group-wide revenue, capital expenditure and operating expenditure for the 2022 fiscal year in relation to the two environmental objectives: "Climate change mitigation" and "Climate change adaptation".

The reporting period covers the 2022 fiscal year, from 1 October 2021 until 30 September 2022. We publish this report annually. The previous report was published in November 2021 as a supplement to the Annual Report 2021. Unless otherwise specified, the statements and key figures in this report refer to the 2022 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 2021 and 2022 fiscal years. Data relevant to Cypress, which became part of Infineon in April 2020, are included in the carbon neutrality goal we set with the 2019 calendar year as the base year.

Syntronix as part of Infineon

With the completion of the acquisition of Syntronix Asia, the company has become part of Infineon. Generally, the non-financial data of Syntronix have not yet been consolidated in this report. In the 2023 fiscal year, we want to have completed the

harmonization of processes and definitions required for the consolidation so that the non-financial data of Syntronix will be integrated into the Sustainability Report 2023. Where data from Syntronix have been included in the content of this report, this is explicitly disclosed in the relevant sections.

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 UN Global Compact initiative (see the chapter "UN Global Compact Communication on Progress", [p. 54 f.](#)).

In the chapter "Sustainable Development Goals", Infineon also reports for the sixth time in a row on the processes and steps implemented to support the Sustainable Development Goals (SDG) of the UN. [p. 56 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. 68 ff.](#)

The Infineon website contains explanatory notes on the main data and other information pertaining to this report. www.infineon.com/csr_reporting

Determining the content of the report

Infineon engages in continuous dialog with its stakeholders. In our materiality analysis, we evaluate the expectations and requirements of our internal and external stakeholders with regard to sustainability in various topics in accordance with the framework for sustainability reporting, the GRI Standards.

¹ GRI: Global Reporting Initiative.

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First, we identified Infineon’s most important stakeholders, taking into account the dimensions set out in the Stakeholder Engagement Manual drawn up by the organization AccountAbility: responsibility, influence, proximity, dependency and representation. Secondly, consideration was given to general as well as sector-specific and company-specific sustainability standards appropriate for determining the material topics for assessing Infineon’s sustainability performance. Thirdly, relevant topics were preselected based on our corporate strategy and stakeholder expectations. Finally, we assembled our in-house experts to discuss the topics chosen and any potentially related risks or opportunities that could impact the long-term performance of the organization. The various Infineon divisions and departments use different communication channels and continuously engage in conferences, forums, industry association activities and surveys to ensure targeted communication with the corresponding stakeholder groups. The legal definition of materiality was taken into account in the course of these four steps. The results of this analysis and the material topics were then confirmed by the Infineon Management Board. This report describes these topics. In accordance with the GRI Standards framework on sustainability reporting, CHART 02 shows how Infineon evaluates impact along the value chain.

Effective risk and opportunity management is a key element of our business activities. It supports the achievement of our strategic goals, namely sustainable profitable growth and ensuring efficient use of capital. We have established a variety of coordinated risk management and control system elements oriented towards the realization of our risk strategy. These elements include in particular, not only the Risk and Opportunity Management System and the Internal Control System with Respect to Financial Reporting Processes but also the associated planning, management and internal reporting processes and our compliance management system. Further information is available in the chapter “Group strategy” as well as in “Risk and opportunity report” in the chapter “Report on outlook, risk and opportunity” in the Annual Report 2022.

[p. 26 ff. and p. 64 ff. of the Annual Report 2022](#)

Progress during the 2022 fiscal year, the achievement of our targets, and the associated key performance indicators are described in this report as well as in the chapters “Business model” and “Group strategy” in the Annual Report 2022. TARGETS p. 47 ff. as well as [p. 19 ff. and p. 26 ff. of the Annual Report 2022](#)

CHART 02 Material topics and impact along the value chain

Material topics	Reporting boundary ¹	Supply chain ²	Infineon ³	Customer ⁴
Long-term viability of core business	internal/ external	medium	high	high
Contribution through sustainable products	internal/ external	medium	high	high
Responsible manufacturing	internal/ external	medium	high	low
Diversity and equal opportunity	internal	low	high	low
Corporate citizenship	internal/ external	low	high	low
Business ethics	internal/ external	medium	high	medium
Labor relations	internal	none	high	none

1 Reporting refers to activities within and/or outside the company.

2 Production materials, products and services.

3 Production processes.

4 Product application.

Long-term viability of core business: The megatrends decarbonization and digitalization are long-term growth drivers for our company’s business. Infineon’s semiconductors provide the basic technology for the energy and mobility transition. Renewable energy and energy efficiency, sustainable mobility and security are globally important social priorities 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 connectivity is one of the most significant technological trends of our time, with the potential to change radically how companies and consumers interact with each other and with their environment.

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The IoT connects the physical and digital worlds in unprecedented ways. Places, cars and computers, and even home appliances and industrial machines, are being equipped with electronic systems, software and sensors and connected with the internet.

This opens the door to a new dimension of connectivity and intelligence with far-reaching consequences for our society and our economy. The International Data Corporation (IDC) estimates that the number of connected devices (especially IoT devices and systems) will rise to 55.7 billion by the 2025 calendar year. By then, the data volume generated annually is expected to reach up to 80 zettabytes (1 zettabyte = 1,000,000,000 terabytes). Increasing connectivity opens up further opportunities for efficiency and also for decarbonization.

Our sensors, processors, security controllers, connectivity components and actuators set the standards for highly developed sensor technologies, cross-application control and optimized power management. They make the IoT smart, secure and energy-efficient. Additional information about this material topic can be found in the chapters “Contribution through sustainable products” and “EU Taxonomy” of this report as well as in “The segments” in the chapter “Business model” and in the chapter “Group strategy” in the Annual Report 2022. [□ p. 36 ff. and p. 39 f. in this report and p. 23 ff. and p. 26 ff. of the Annual Report 2022](#)

Contribution through sustainable products: Microelectronics made by Infineon is the key to attaining better living standards. Our inventiveness and commitment let us create value for customers, staff and investors. We understand how technical systems can be made increasingly efficient through the use of semiconductors, providing sustainable solutions for the world of today and the world of tomorrow. This makes our customers more successful and is an important contribution to society and to decarbonization. We make life easier, safer and greener – with technology that achieves more, consumes less and is accessible to everyone.

The 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 UN, the Earth will have up to 12.4 billion inhabitants by the 2100 calendar year, most of them living in cities. One consequence of this population growth will be a global rise in demand for energy. Generating energy from renewable resources rather than fossil fuels and using the energy produced more efficiently is one of the greatest challenges of the future, and semiconductors play a decisive role here. The biggest lever in energy savings is increasing efficiency of use. There are currently several hundred million industrial motors and billions of home appliances around the world, so the potential for energy savings is enormous.

In accordance with our environmental policy, possible environmental impacts are investigated at the earliest possible stage and are taken into account in the development of our products and processes. Infineon has created an integrated management system for this purpose, IMPRES (Infineon Integrated Management Program for Environment, Energy, Safety and Health). This applies to all our company activities, from procurement, development and manufacturing all the way to the sale of our products. All our actions are based on compliance with applicable legislation and regulations.

Additional information is provided in the chapters “Contribution through sustainable products”, “EU Taxonomy”, “Our responsibility along the supply chain” and “Sustainable Development Goals”. [□ p. 36 ff., p. 39 f., p. 41 ff. and p. 56 ff.](#)

Infineon enables the development of renewable energy as well as the energy-efficient storage, transmission and use of green electricity, such as through intelligent building management systems and sustainable mobility. Based on our analyses, every second plug-in hybrid vehicle or all-electric car produced in the world in the 2021 calendar year uses Infineon semiconductors in the inverter, the central element of the electric powertrain. In addition, semiconductors from Infineon are essential for the generation of wind or solar power and for the expansion of the private and public charging infrastructure. New semiconductor materials such as silicon carbide (SiC) and gallium nitride (GaN) and innovative package technologies increase the efficiency and range of electric cars and speed up the charging process. Moreover, connected and autonomous driving, as well as secured communication between the vehicles and the infrastructure, help to optimize traffic flows and improve the safety and efficiency of traffic.

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Additional information on this material topic can be found in “The Infineon carbon footprint” in the chapter “Contribution through sustainable products” in this report, as well as in “The segments” in the chapter “Business model” in the Annual Report 2022. [p. 37 of this report and p. 23 ff. of the Annual Report 2022](#)

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 set out mandatory rules on how to comply with human rights obligations. Additional information on this topic can be found in the chapters “Business ethics”, “Human rights” and “UN Global Compact Communication on Progress”. [p. 14 ff., p. 17 and p. 54 f.](#)

We also demand that our supply chain upholds these principles. This is why we have defined a Group-wide approach aimed at ensuring the necessary transparency within the supply chain. We expect our suppliers to commit to the values outlined in our Supplier Code of Conduct. The chapter “Our responsibility along the supply chain” contains further information on this topic. [p. 41 ff.](#)

The availability of natural resources is one of the greatest global challenges. Efficient resource management is therefore a central component of IMPRES. In the past, energy prices have been subject to fluctuations that were partly related to legal regulations. The economic benefit is another motivation for reducing our specific consumption by increasing our energy efficiency and has been part of our sustainability strategy for years.

Manufacturing semiconductors requires a wide variety of chemicals. At Infineon, we ensure that we handle hazardous materials in a highly responsible way.

We are subject to many laws and regulations that apply to areas such as environmental and climate protection, as well as the field of energy. Present or future environmental legislation and other government regulations, or amendments thereto, could require an adjustment to our operating activities and result in higher costs. Infineon

keeps abreast of planned legislative changes and engages in these issues in various associations and organizations on an ongoing basis.

Infineon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year with respect to scope 1 and scope 2 emissions. By the end of the 2025 fiscal year, Infineon aims to have already achieved 70 percent of this target (compared with the 2019¹ calendar year). The Group presented its plans at the Annual General Meeting in the 2020 fiscal year in Munich (Germany). Infineon wants to make an active contribution to global CO₂ reduction and to the implementation of the targets set out in the Paris Climate Agreement.

Additional information on these topics can be found in the chapters “Protection of our employees”, “Environmental sustainability and climate protection”, “Contribution through sustainable products”, “EU Taxonomy” and “Sustainable Development Goals”. [p. 25 f., p. 27 ff., p. 36 ff, p. 39 f. and p. 56 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, among other things, the successful career development of female managers are prerequisites for meeting our targets.

Promoting a healthy work-life balance is also essential for the professional success of our employees and is part of our human resources work. As emphasized in our Business Conduct Guidelines, we want to create an environment that provides both personal and professional opportunities for our employees. When we make human resources decisions, such as selecting, hiring, evaluating and promoting personnel, or organizing job changes, remuneration or staff training, we are guided by the principle of equal opportunities, relevant qualifications and performance. Equal opportunities also apply to the various aspects of diversity: sexual orientation and identity, age, ethnic origin and nationality, religion and ideology, and physical and mental ability.

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

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Additional information on this material topic can be found in the chapters “Business ethics” and “Human rights” and in “Encouraging diversity” in the chapter “Human resources management” as well as in the chapter “Sustainable Development Goals”.

▢ p. 14 ff., p. 17, p. 20 f. and p. 56 ff.

Corporate citizenship: At our sites, we support local communities in line with our sustainable business strategy. We are present at locations around the world dedicated to sales, research and development as well as manufacturing. The global presence of our sites is illustrated in “Headquarters and manufacturing sites” in the chapter “Business model” as well as in “R&D sites” in the chapter “Research and development” in the Annual Report 2022. ▢ p. 22 and p. 35 of the Annual Report 2022

With our presence in different regions, we benefit the communities in various ways – by creating jobs, with our innovative products and solutions and with the taxes we pay, as well as through our societal and social commitment as part of our corporate citizenship activities.

Examples of Infineon’s engagement are set out in the chapters “Corporate citizenship” and “Sustainable Development Goals”. ▢ p. 44 ff. and p. 56 ff.

Business ethics: To meet our own business ethics standards and, at the same time, act as a sustainable and responsible partner towards our stakeholders, we must consider, evaluate and address the risks, both within and outside the company. Each year, as part of the compliance management system, a formal assessment of our risks takes place, focusing in particular on corruption and antitrust law. The measures to be taken are summarized in the compliance program and implemented during the fiscal year.

Employees and business partners can report any possible breaches to the usual internal bodies (Management, Human Resources and Compliance) or contact our Infineon Integrity Line, which also accepts anonymous reports. The Business Conduct Guidelines define our basic principles for ethical and legal conduct. They are an

important foundation for our everyday activities. 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 chapter “UN Global Compact Communication on Progress”. ▢ p. 54 f.

Additional information on this material topic is given in the chapters “Business ethics”, “Human rights” and “Sustainable Development Goals” in this report, as well as in “Statement on Corporate Governance pursuant to sections 289f and 315d of the German Commercial Code (HGB)” in the chapter “Corporate Governance” in the Annual Report 2022. ▢ p. 14 ff., p. 17 and p. 56 ff. of this report and p. 82 of the Annual Report 2022

Labor relations: We are convinced that effective human resources and a secure working environment are prerequisites to our business success. Long-term high performance is only viable with satisfied and successful employees. In our strategic focus areas (“Culture”, “Organization”, “People & Leadership” and “HR Processes & Infrastructure”), we summarize all the daily activities we undertake to promote employees’ performance and realize their potential in the best possible way.

In our Business Conduct Guidelines, we commit to 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 chapters “Business ethics”, “Human rights” and “UN Global Compact Communication on Progress”. ▢ p. 14 ff., p. 17 and p. 54 f.

Our Occupational Safety and Health Management System has been certified in accordance with ISO¹ 45001 and is designed to ensure that the necessary measures are taken to minimize risks identified in the working environment that could endanger our employees.

Additional information on this material topic is given in the chapters “Human resources management”, “Protection of our employees” and “Sustainable Development Goals”. ▢ p. 18 ff., p. 25 f. and p. 56 ff.

¹ ISO: International Organization for Standardization.



Business ethics

All employees are automatically enrolled in Business Conduct Guidelines training on an ongoing basis. For selected target groups, this also applies to training on the topics of corruption prevention and antitrust law.

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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 integrity, reliability and quality are vital to win the trust of customers, investors and employees. For us, this means that we make commitments that are achievable and promises we can keep. Infineon requires that its employees and business partners respect and observe all applicable laws, rules and regulations. Essential principles of ethical behavior are defined in 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. She reports directly to the Chief Financial Officer and on a quarterly basis to the Management Board, as well as to the Supervisory Board's Investment, Finance and Audit Committee. In addition to the development of our compliance program, the officer helps create guidelines, advises employees, receives complaints and information on relevant issues and heads the investigation of compliance cases.

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 internally (Management, Human Resources and Compliance) and externally (Infineon Integrity Line), to report actual

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).

or suspected violations during the 2022 fiscal year. There was an increase in the 2022 fiscal year in the number of reports made and investigations conducted. We attribute this rise mainly to the resumption of business trips and to the resulting increase in personal contact with our business partners. **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 the termination of their employment or voluntarily. Moreover, in other cases, sanctions in accordance with labor law were imposed, such as cautions and formal warnings.

The Business Conduct Guidelines form the central element of our compliance management system. As a code of conduct, the Guidelines are an essential basis for our daily actions and apply to all employees and members of corporate bodies worldwide when dealing with one another, our customers, investors, business partners or the public. All the company’s employees and members of corporate bodies are trained on the content on a regular basis in web-based sessions or face-to-face. Since the 2021 fiscal year, all employees have been automatically enrolled in web-based Business Conduct Guidelines training (which forms part of

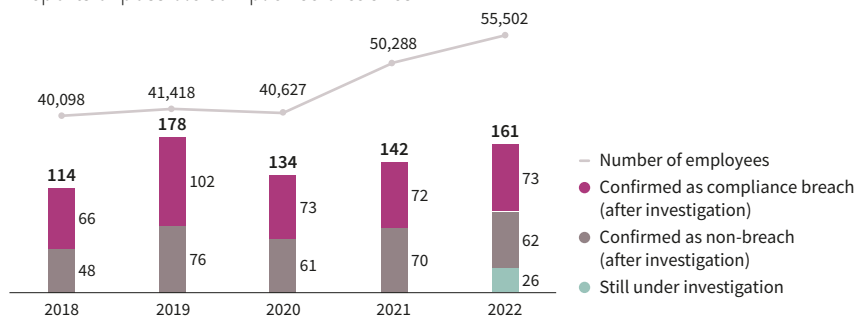
the learning management system) on an ongoing basis. This also applies to training for selected target groups on the topics of corruption prevention and antitrust law. All these training sessions are repeated every three years. Business partners are contractually obliged to comply with the legal regulations. Suppliers acknowledge our Supplier Code of Conduct when signing the contract. In addition, we conduct business partner checks to ensure that we work together with law-abiding business partners with integrity.

Tax management and governance

Our business activities worldwide generate a variety of different taxes in the various countries, including corporate taxes, production taxes and other levies. Infineon also pays income taxes for its employees. The same applies to indirect taxes such as VAT (value added tax). The taxes paid are an important part of our economic contribution in the countries where we operate. With our Tax Compliance and Governance Report, we disclose tax management and related governance matters and create an important basis for dialog with our stakeholders. Here, we conduct a continuing assessment of legal and regulatory requirements and the interests of these stakeholders. The Tax Compliance and Governance Report can be downloaded from our website.

www.infineon.com/tax_report

CHART 03 Reports of possible compliance breaches



Personal data and the protection of privacy

Data protection is a high priority for Infineon. Our clear objective is always to process the personal data of employees, customers, interested parties, suppliers, investors and other partners in accordance with globally applicable data protection laws.

With the data protection management system which we have been operating successfully for many years and are continuously improving, we have adopted a structured and systematic approach that ensures compliance with globally applicable data protection laws. Within our management system, continual assessments are performed of changes to the legal framework, and potential

improvements are identified. The main results of these assessments are reported to management all the way up to selected members of the Management Board, and appropriate measures are taken in response.

We process and use personal data only for legitimate purposes and do not sell these data.

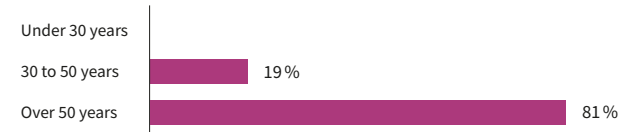
Further information on this subject can be found on the Infineon website.

www.infineon.com/DPMS

Diversity in Infineon’s corporate bodies

The promotion of diversity within the company is an important factor in corporate success. At the balance sheet date, 30 September 2022, the Supervisory Board consisted of 16 members in total, nine men and seven women. Three of the members were between 30 and 50 years old, while 13 members were over 50. [CHART 04](#) and [CHART 05](#) The Management Board consisted of five members as of the balance sheet date, including one woman. Four of the members of the Management Board were over 50 years old, and one member was between 30 and 50 years old.

[CHART 04](#) Age structure in Supervisory Board



[CHART 05](#) Supervisory Board by gender





Human rights

The protection of human rights and the promotion of fair working conditions form the basis of our corporate culture.

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Material topics

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



Standards and principles

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

Guidelines and publications

Our Business Conduct Guidelines reflect our ethical principles and are the main foundation for our everyday conduct. The Guidelines specify our requirements with regard to labor, ethics and integrity, the prohibition of child and forced labor, working hours and non-discrimination (see the chapter “UN Global Compact Communication on Progress”, [p. 54 f.](#)). Our employees around the world receive regular training on

the Business Conduct Guidelines. In the 2022 fiscal year, a Human Rights Officer as defined by the German Supply Chain Due Diligence Act (German: Lieferkettensorgfaltspflichtengesetz, or LkSG) was assigned. In addition, there is a whistleblower hotline, which our employees, suppliers, customers and business partners can contact openly or anonymously. All cases reported are investigated by our compliance experts (see the chapter “Business ethics”, [p. 14 ff.](#)). In the case of potential human rights abuses, the Human Rights Officer must be involved in the process. The compliance management system ensures that reported violations of human rights and applicable labor standards are reported to the Management Board. Our CSR Policy describes our focus areas in 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 the protection of human rights, as well as with fair business practices (see the chapter “Our responsibility along the supply chain”, [p. 41 ff.](#)). Additional detailed explanations are given in “Statement on Corporate Governance pursuant to sections 289f and 315d of the German Commercial Code (HGB)” in the chapter “Corporate Governance” in the Annual Report 2022. [p. 82 of the Annual Report 2022](#)



Human resources management

Infineon continues to address the key topics of diversity and equal opportunities, promotion of talent, and employee development. Continuing professional development moved gradually towards blended training¹.



TARGETS
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Material topics

- > Diversity and equal opportunity
- > Labor relations

Our engagement in human resources (HR) is an essential factor in our efforts to achieve sustainability. Our conviction that only contented and successful employees will ensure high performance in the long run characterizes all our employee development measures as well as our measures for attracting new employees. We use regular employee surveys to monitor our progress with regard to employee satisfaction.

In addition to the HR department, the Chief Executive Officer of Infineon Technologies AG, in the role of Labor Director, is directly involved in HR policy. On a regular basis, the strategic deployment of HR management is discussed with all members of the Management Board, and the objectives for the following fiscal year are defined. Our HR strategy is explained in greater detail in the Annual Report 2022. [p. 32 of the Annual Report 2022](#)

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



¹ Blended training involves a combination of virtual and classroom-based formats.

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. In the 2022 fiscal year, we refined this to take account of current challenges and dynamics. The Infineon Leadership Principles contain eight expectations of conduct and the corresponding operationalization. Our Leadership Principles supplement the High Performance Behavior Model and provide guidance on management issues. [CHART 07](#)

[CHART 07](#) Leadership Principles



We support our managers in the successful implementation of the Principles and in their management tasks with numerous learning and development opportunities at the various leadership levels. We work on specific examples at face-to-face training events and in eLearning sessions (web-based training). Mentoring programs and learning-in-tandem also promote networking and achieve learning results that can quickly be put into practice. The Infineon Leadership Excellence Program provides a training framework to support managers as far as possible in their leadership role and with management responsibility. In addition to this program, we also offer training on a range of topics required for specific target groups, such as the New Leader Orientation Program – an in-house workshop for new managers.

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 that go beyond organizational and national boundaries. The summits, at which managers discuss talent development with the HR team, are an important instrument in this endeavor.

Health management

The commitment, performance and, fundamentally, the health of our employees make vital contributions to our success. The task of our health management is to maintain and improve the health of our employees. Our global management system IMPRES ensures the high quality of the services and measures we offer. In the course of the coronavirus pandemic, we were also able to devise measures to provide an appropriate response to specific situations on site.

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

Encouraging diversity

The diversity of our employees is particularly important to us. We live in a culture that appreciates the individuality of each and every person. Therefore, we are committed to providing a working environment in which everyone can make their contribution, free of prejudice and able to benefit from equal opportunities – irrespective of age, ethnic origin or nationality, gender, physical or mental ability, religion or ideology, sexual orientation or identity.

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

The promotion of women to management positions is one of the key focus areas of our Diversity & Inclusion activities. At the end of the 2022 fiscal year, the percentage of women in middle and senior management positions was 16.5 percent. CHART 08 We continue to pursue our long-term goal of increasing the proportion of women in management positions to 20 percent by 2030. This long-term goal is also reflected in the compensation scheme for the Management Board laid down by the Supervisory Board.

In compliance with the German Law on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector, Infineon Technologies AG and Infineon Technologies Dresden Verwaltungs GmbH set themselves targets for the percentage of women in the first two leadership levels below the Management Board/ Board of Directors. These targets were defined in the 2017 fiscal year. The results and details on the targets can be found in our Statement on Corporate Governance on the Infineon website. www.infineon.com/declaration-on-corporate-governance

Infineon employs 55,502 people of different nationalities. The five most prevalent nationalities represent a total of 68.1 percent of the workforce, with Malaysian nationals accounting for 27.3 percent and German nationals for 22.3 percent.

CHART 09

CHART 08 Women in management positions

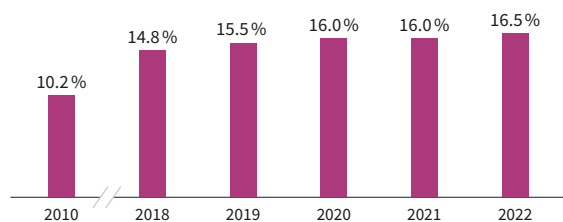
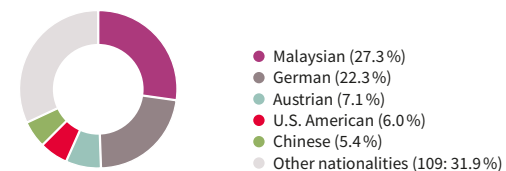


CHART 09 Employees by nationality



Employees by management classes and age structure

	Employees total	Under 30 years ¹	30 to 50 years ¹	Over 50 years ¹
Middle and senior level management ^{2,3}	10,094	0.2	57.4	42.4
Entry level management ²	11,981	5.4	78.7	15.9
Non-management staff	33,427	35.6	51.8	12.6
Total	55,502	22.7	58.6	18.7

1 Figures expressed in percent based on the workforce as of 30 September 2022, 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 19,950 female employees, 28.5 percent are under 30 years old, 58.3 percent are in the middle age group and 13.2 percent are over 50 years old. Out of 35,552 male employees, 19.4 percent are under 30, 58.8 percent are in the middle age group and 21.8 percent are over 50 years old.

Employees by management classes and gender¹

	Employees total	Female ²	Male ²
Middle and senior level management ^{3,4}	10,094	16.5	83.5
Entry level management ³	11,981	29.9	70.1
Non-management staff	33,427	44.0	56.0
Total	55,502	35.9	64.1

1 In the 2022 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 2022, 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 2022 fiscal year, our staff participated in a total of 688,038 hours of training. 32.6 percent of training hours were provided to female employees and 67.4 percent to male employees. Production training hours accounted for most of the hours utilized, at 58.2 percent.

Training hours¹ per employee and functional area

	Per employee
Production	11.27
R&D	18.15
Sales and marketing	14.44
General administration	10.17
Total	12.93

1 Calculated on the basis of the monthly workforce in the 2022 fiscal year.

Training hours¹ by management classes and gender²

	Per employee	Female	Male
Middle and senior level management ^{3,4}	13.65	17.38	12.92
Entry level management ³	19.46	21.06	18.79
Non-management staff	10.40	8.93	11.57
Total	12.93	11.75	13.59

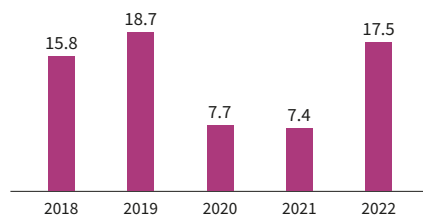
1 Calculated on the basis of the monthly workforce in the 2022 fiscal year.
 2 In the 2022 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".
 3 At Infineon, the management function includes not only the leadership of employees but also leadership through specialist expertise as well as project management functions as defined in the internal job evaluation system.
 4 Including the Management Board.

Our range of functional training is made available primarily via the global functional academies (operating in specific segments and fields). Together with other internal trainers, these academies work together to provide coordinated learning that builds professional expertise. For example, there are academies in the fields of procurement, finance, manufacturing, quality management and the supply chain. With the online training platform LinkedIn Learning, Infineon offers another modern learning channel for its employees. By the end of the 2022 fiscal year, 59 percent of the Infineon workforce (including shop floor employees without company devices) had activated their LinkedIn Learning license. In total, 63,928 study hours have been completed.

Where it makes sense, Infineon has moved towards blended learning formats for its training. This means that, in these cases, we provide training for our employees and managers in a combination of virtual and classroom-based formats. In addition, we are fostering the use of LinkedIn Learning. The rise in training costs is explained by a greater need for face-to-face training in a safe environment, following the coronavirus pandemic. The reasons include newly formed teams and a significant increase in demand for leadership training. [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 site):

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

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

Compensation

Infiniteon 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

Infiniteon is active on a worldwide basis. Almost half the 55,502 employees (previous year: 50,288) worked in Asia-Pacific, Greater China and Japan (27,430 employees). 40.5 percent of all employees were employed in Europe (22,494); the majority of these were employed in Germany (14,099).

As of 30 September 2022, in the workforce as a whole, 1,920 female employees and 2,566 male employees had fixed-term contracts and 18,030 female employees and 32,986 male employees had permanent contracts. A total of 2,400 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.

Temporary agency staff are also excluded. As of 30 September 2022, 2,851 temporary employees were working for Infiniteon worldwide. Of these, 76.0 percent worked in production, giving Infiniteon the flexibility in its manufacturing to deal with fluctuations in capacity utilization.

As of 30 September 2022, Infiniteon also employed a total of 561 apprentices and students on work-study programs, 148 interns and 1,751 working students. 248 new apprentices and students on work-study programs were hired in the 2022 fiscal year.

Employees by region and gender¹

	2022			2021		
	Total	Female	Male	Total	Female	Male
Europe	22,494	5,978	16,516	20,362	5,279	15,083
Therein: Germany	14,099	3,839	10,260	12,998	3,506	9,492
Americas	5,578	1,887	3,691	5,363	1,791	3,572
Therein: USA	4,055	1,082	2,973	3,837	999	2,838
Asia-Pacific	23,850	10,670	13,180	21,466	9,727	11,739
Greater China	2,919	1,326	1,593	2,456	1,118	1,338
Japan	661	89	572	641	82	559
Total	55,502	19,950	35,552	50,288	17,997	32,291

¹ In the 2022 fiscal year, Infiniteon received no notifications worldwide of employees who described their gender as "diverse".

Employees¹ by contract type

		2022			2021		
		Total	Full-time	Part-time	Total	Full-time	Part-time
Employees on permanent contracts	Male	32,986	31,884	1,102	30,427	29,450	977
	Female	18,030	16,766	1,264	16,533	15,346	1,187
Employees on fixed-term contracts	Male	2,566	2,554	12	1,864	1,850	14
	Female	1,920	1,898	22	1,464	1,454	10
Total		55,502	53,102	2,400	50,288	48,100	2,188

¹ In the 2022 fiscal year, Infiniteon 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 2022 fiscal year, there were 10,131 new hires worldwide, of which 3,893 were female and 6,238 male. [CHART 11](#) 5,456 employees were under the age of 30, 4,317 employees were in the age group of 30 to 50 and 358 employees were over the age of 50. [CHART 12](#)

Worldwide, there were 4,806 staff departures from Infineon in the 2022 fiscal year. Of these, the majority (2,587 employees) were in the Asia-Pacific region, where most new recruitment also occurred (5,087 employees).

Of the departures, 1,882 were women and 2,924 men. 1,999 employees were in the under 30 age group, 2,200 in the middle age group (30 to 50 years) and 607 in the over 50 age group. The worldwide employee fluctuation rate during the 2022 fiscal year was 9.0 percent (previous year: 8.3 percent).

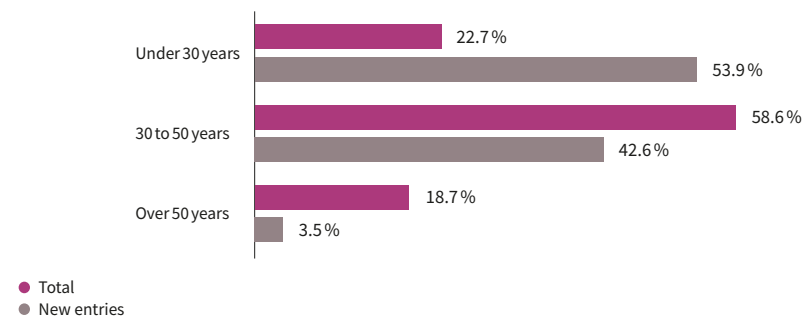
Age structure and length of service

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 2022 fiscal year was 39.3 years (previous year: 39.7 years). The proportion of employees below 30 years of age increased to 22.7 percent (previous year: 21.0 percent). On the other hand, the proportion of employees in the middle age group fell slightly (2022 fiscal year: 58.6 percent; previous year: 59.9 percent). The proportion of employees over the age of 50 also fell (2022 fiscal year: 18.7 percent; previous year: 19.1 percent).

[CHART 12](#)

The average length of service decreased to 9.6 years (previous year: 10.3 years).

[CHART 12](#) Age structure at Infineon



● Total
● New entries

[CHART 11](#) Rates of new hires and terminations by region

	Total	Europe	Therein: Germany	Asia-Pacific	Greater China	Japan	Americas	Therein: USA
Newly hired employees	10,131	2,985	1,548	5,087	790	54	1,215	711
Rate of newly hired employees ¹	18.3	13.3	11.0	21.3	27.1	8.2	21.8	17.5
Staff departures	4,806	834	394	2,587	317	25	1,043	532
Rate of staff departures ²	9.0	3.9	2.9	11.3	11.9	3.8	19.1	13.7

¹ Figures expressed in percent based on the workforce as of 30 September 2022 in the respective region.
² Figures in percent, calculated on the basis of the monthly workforce in the 2022 fiscal year.

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



¹ In the 2022 fiscal year, Infineon received no notifications worldwide of employees who described their gender as "diverse".



Protection of our employees

In the 2022 fiscal year, we invested around 41,552 hours in training and continuing education for our fire protection and occupational safety and health experts worldwide.

TARGETS

p. 48 ff.

Material topics

- > Responsible manufacturing
- > Labor relations



Ensuring a safe working environment is a very high priority at Infineon. Here we take a preventive approach. Our Occupational Safety and Health Management System has been certified in accordance with ISO 45001. Workplace-related risk assessments carried out worldwide ensure that workplace-related risks that may result in a danger to employees are identified and the protective measures required are implemented to minimize risks. Risks are evaluated according to the Nohl¹ risk matrix and measures are subsequently adopted based on the STOP² hierarchy. This means that substitution and technical measures take precedence over organizational or personal measures such as personal protective equipment.

As another element in our preventive approach, in the 2018 fiscal year we introduced the seven Golden Rules of Safety as part of our behavior-based safety program. We will continue to apply this program in the 2023 fiscal year. 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 at manufacturing sites and office locations where the physical presence of the workforce was essential, Infineon took comprehensive precautionary and preventive measures to contribute to containing the virus.

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

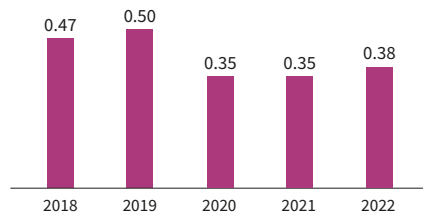
² STOP: Substitution, Technical Protective Measures, Organizational Protective Measures, Personal Protective Measures.

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 are performed in accordance with GRI Standards requirements on the basis of the standardized Injury Rate and the Lost Day Rate. All work-related accidents that have led to more than one lost day have been taken into account.

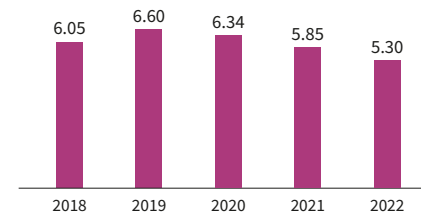
There were no fatal work-related accidents at Infineon in the 2022 fiscal year. Our Injury Rate of 0.38 in the 2022 fiscal year is presented in [CHART 13](#). It increased slightly compared to the previous year. This was primarily due to the reduction in coronavirus pandemic measures, such as working from home. In the 2022 fiscal year, the Lost Day Rate decreased slightly to 5.30 and is illustrated in [CHART 14](#).

[CHART 13](#) Injury Rate¹



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

[CHART 14](#) Lost Day Rate¹



¹ The Lost Day Rate is calculated as follows: total number of lost days/total hours worked x 200,000. Vacations and public holidays are included in the working hours.



Environmental sustainability and climate protection

Infineon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year. Even before the end of the 2025 fiscal year, Infineon aims to have achieved 70 percent¹ of this target.



TARGETS

p. 49 ff.

Material topic

> Responsible manufacturing

Our global management system IMPRES integrates targets and processes relating to environmental sustainability as well as occupational safety and health. IMPRES has been certified worldwide in accordance with environmental management system standard ISO 14001 and in accordance with occupational health and safety standard ISO 45001. Additionally, it has been certified in accordance with the energy management system standard ISO 50001 at our largest European manufacturing sites as well as at our corporate headquarters Campeon (Germany). Changes in legal requirements and potential improvements in performance are continuously evaluated as part of our integrated management system. The main results of the evaluations are reported to management, including selected members of the Management Board, and the appropriate measures are decided on.

Sustainable use of resources at our manufacturing sites

Climate change is a global challenge. The consequences of changing climate conditions threaten regional ecosystems and present major challenges to humans. Climate change can only be tackled if all the players in society 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 2022 fiscal year, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich (Germany) conducted an independent reasonable assurance audit, inter alia, of Infineon's scope 1 and scope 2 CO₂ emissions, in accordance with the relevant assurance standard for sustainability reporting, the International Standard on Assurance Engagements 3000 (Revised). [p. 68 ff.](#)

“Infineon is already one of the most sustainable semiconductor producers”, says Infineon's CEO, Jochen Hanebeck. “CO₂ avoidance and resource efficiency in production have been a priority for us for years, as in the setting up of our 300-millimeter thin-wafer technology. With our goal of becoming carbon-neutral, we are strengthening our efforts through electricity from renewable sources and investment in exhaust air abatement that far exceeds the industry standard.”

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

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 focusing on purchasing green electricity. To confirm this approach, Infineon joined the corporate initiative RE¹100 in the 2021 fiscal year. RE100 is a global initiative bringing together many of the world’s major businesses committed to 100 percent renewable energy. The group, which is led by the international non-profit organization Climate Group in partnership with CDP, represents more than 370 companies in a variety of economic sectors. Together, they are sending a strong message to political decision-makers and investors to accelerate the transition to a decarbonized economy.

In 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 2022 fiscal year, our scope 1 and scope 2 emissions were 23.4 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 and North America.

Efficient energy management

At Infineon, energy is used mainly in the form of electricity. Primary energy sources such as oil and gas play only a minor part.

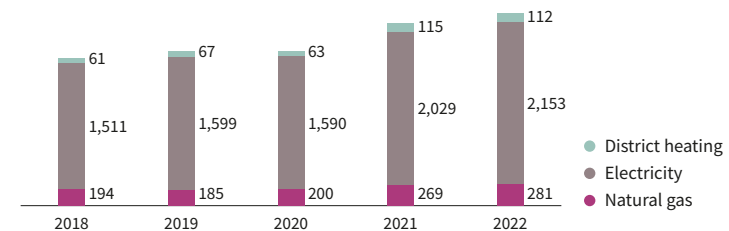
Within our manufacturing sites, the frontend sites consume most of the energy since the physical conditions for production are particularly demanding there. Thus, for example, an additional amount of energy is needed to establish the highly stable climatic conditions in the cleanrooms. In comparison, the backend sites have lower energy consumption due to the nature of their processes. Research and development sites and office locations have the lowest energy demand.

In the 2022 fiscal year, Infineon consumed 2,568 gigawatt hours of energy worldwide. Consumption by material energy source is shown in the following table and in [CHART 15](#).

Energy consumption (direct/indirect)
in gigawatt hours

Direct energy (scope 1) renewable	0.86
Firewood	0.86
Direct energy (scope 1) non-renewable	302.66
Natural gas	280.60
Liquid gas	0.63
Petrol	0.03
Petrol (cars)	2.76
Diesel	1.30
Diesel (cars)	15.17
Fuel oil	2.17
Indirect energy (scope 2)	2,264.48
Electricity	2,152.63
District heating	111.51
Electricity (cars)	0.34
Total	2,568.00

[CHART 15](#) Energy consumption
rounded, in gigawatt hours



1 RE: Renewable electricity.

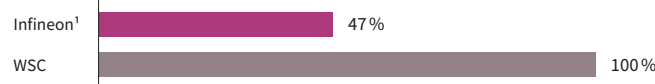
Already in the 2021 fiscal year, Infineon switched to purchasing 100 percent green electricity for its sites in Europe. In the 2022 fiscal year, the North American site in Austin (Texas, USA) followed suit. This is another milestone for the company, given its aim to complete the switchover to green electricity in the USA by the end of the 2022 calendar year. [CHART 16](#) 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 16](#) Green electricity as a percentage of total electricity consumption



[CHART 17](#) Standardized electricity consumption per square centimeter manufactured wafer



¹ Frontend sites worldwide.

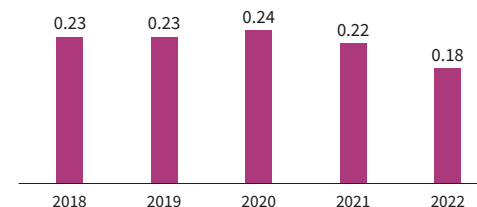
The World Semiconductor Council (WSC) has defined electricity consumed per square centimeter manufactured wafer as the unit for measuring the energy efficiency of frontend sites. Compared to the global average value of the WSC, our frontend sites worldwide used approximately 53 percent less electricity to manufacture one square centimeter wafer in the 2021 calendar year. [CHART 17](#)

In the 2022 fiscal year, energy consumption per unit of revenue was 0.18 kilowatt hours per euro. Figures from previous fiscal years are also shown in [CHART 18](#) as a comparison.

Greenhouse gas emissions

At an early stage, Infineon started developing strategies to reduce energy consumption as well as the amount of material used to the minimum technically necessary, thereby limiting CO₂ emissions. Greenhouse gas emissions are classified into scope 1, 2 and 3. The classification of direct and indirect emissions into scope 1, 2 and 3 is performed as set out in the Greenhouse Gas (GHG) Protocol. The calculation of CO₂ emissions is based on the ISO 14000 family of standards. These are set out in Publicly Available Specification (PAS) 2050 issued by the British Standards Institution to determine the ecobalance specific to products and in the Principles of the GHG Protocol to prepare an ecobalance (relevance, completeness, consistency, transparency and accuracy).

[CHART 18](#) Energy consumption per unit of revenue in kilowatt hours per €



Scope 1 emissions

The semiconductor industry uses greenhouse gases in wafer-etching processes for structuring wafers as well as for cleaning production equipment. This includes perfluorinated compounds (PFC), namely perfluorinated and polyfluorinated carbon compounds, sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). These greenhouse gases cannot be replaced by another class of substances and account for 80.7 percent of scope 1 emissions. The increasing level of product complexity has led to rising demand for these gases. Where possible and appropriate, we counter this trend by continually optimizing our processes through more efficient production methods and through smart abatement concepts. The use of alternative gases with higher utilization rates and lower global warming potential helps minimize the increase in emissions wherever possible. Our voluntary investment in PFC abatement enables us to avoid around two thirds of our potential direct scope 1 emissions, which corresponds to avoiding around 738,054 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 three times higher (around 990,033 tons of CO₂ equivalents).

We report our PFC emissions using normalized emission rates (NER) which normalize the emissions over the manufactured wafer. Despite the complexity of our products and the high number of process steps, our NER in the 2022 fiscal year was 1.17 tons of CO₂

per square meter – significantly below the 2020 WSC target of 2.2 tons. [CHART 19](#) Our frontend sites have a high degree of coverage with efficient PFC abatement systems.

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 year¹. 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 2022 fiscal year, 6.70 tons of sulfur oxides (SO_x), 71.00 tons of nitrogen oxides (NO_x), 37.64 tons of carbon monoxide (CO), 655.02 tons of volatile organic compounds (VOC), and 9.52 tons of particulate matter were emitted.

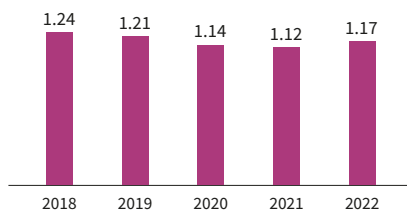
Our scope 1 emissions in the 2022 fiscal year totaled 312,076 tons of CO₂ equivalents.

Scope 2 emissions

The Scope 2 Guidance² 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 574,595 tons of CO₂ equivalents in the reporting period.³ This approach was selected in order to illustrate the implementation achieved so far in terms of regenerative energy supply.

We have also performed and will continue to perform regular reviews at our sites to identify potential in our own electricity supply. At our frontend site in Dresden (Germany), for example, we have been operating a highly efficient cogeneration unit for some years now. The potential for our own green electricity production on our sites is limited due to the topology of the buildings and other factors and is in the lower single-digit percentage range with regard to our total electricity consumption.

[CHART 19](#) Normalized Emission Rate
in tons of CO₂ per square meter, frontend sites



¹ Cumulative from the 2021 fiscal year.

² GHG Protocol Scope 2 Guidance (2015).

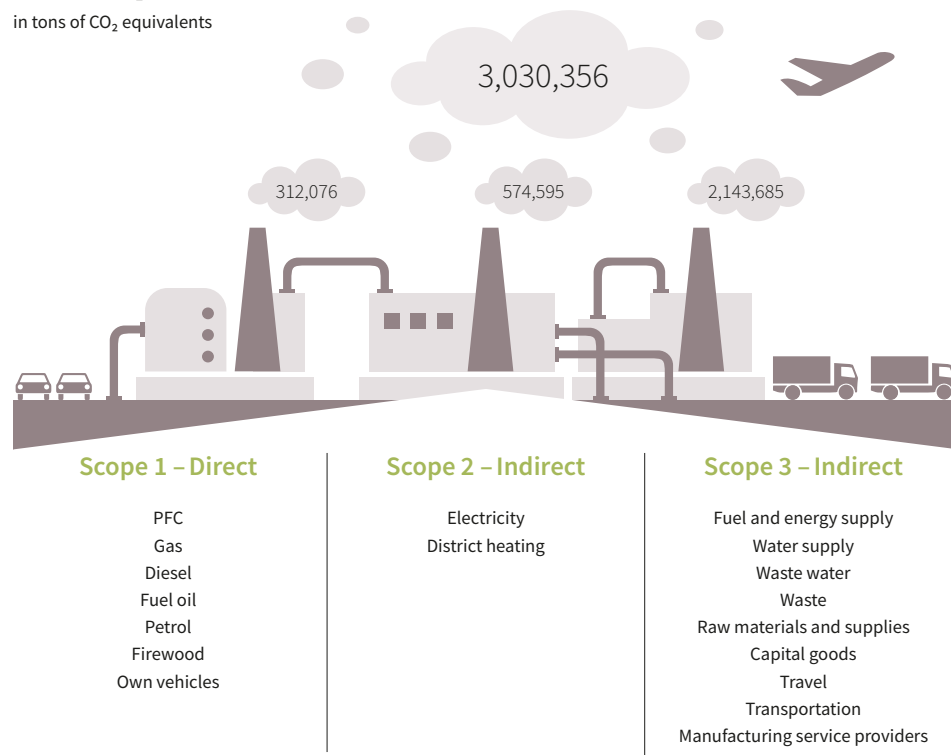
³ Based on the regional or national grid average (location-based accounting), our scope 2 emissions are 909,013 tons of CO₂ equivalents.

Scope 3 emissions

Scope 3 emissions include, for example, emissions generated for the provision and disposal of all raw materials and supplies as well as other utilities, operational materials and other process media, goods transportation, travel, and energy supply activities (for example, transmission losses) and manufacturing service providers. Scope 3 emissions totaled 2,143,685 tons of CO₂ equivalents.

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

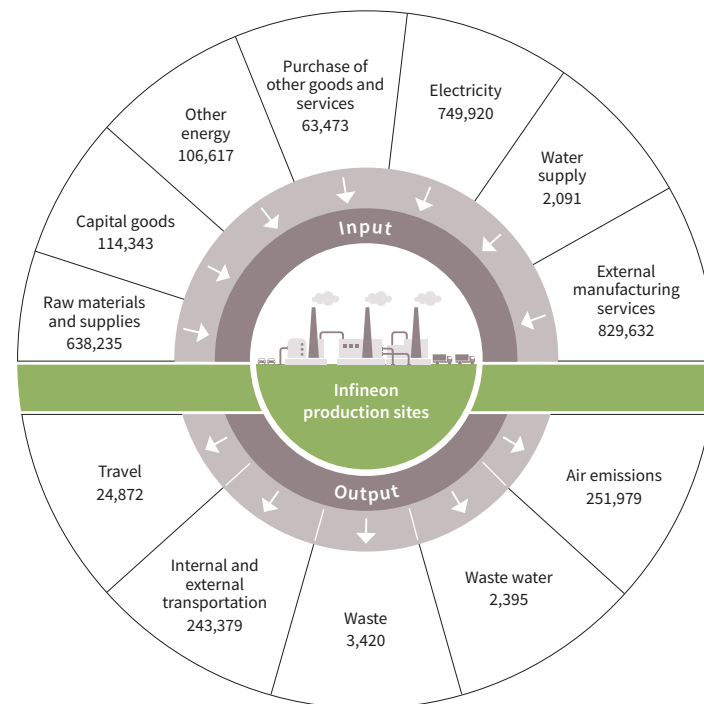
CHART 20 CO₂ burden in tons of CO₂ equivalents



The Infineon environmental footprint in the 2022 fiscal year was around 3 million tons of CO₂ equivalents. **CHART 20** This was higher than in the 2021 fiscal year, mainly due to the improved availability of scope 3 data and a significant increase in procurement volumes.

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

CHART 21 Allocation input and output of emissions by origin in tons of CO₂ equivalents



¹ Additional information about water supply, waste water and waste is provided in “Water management” and “Waste management” in the chapter “Environmental sustainability and climate protection”.

Water management

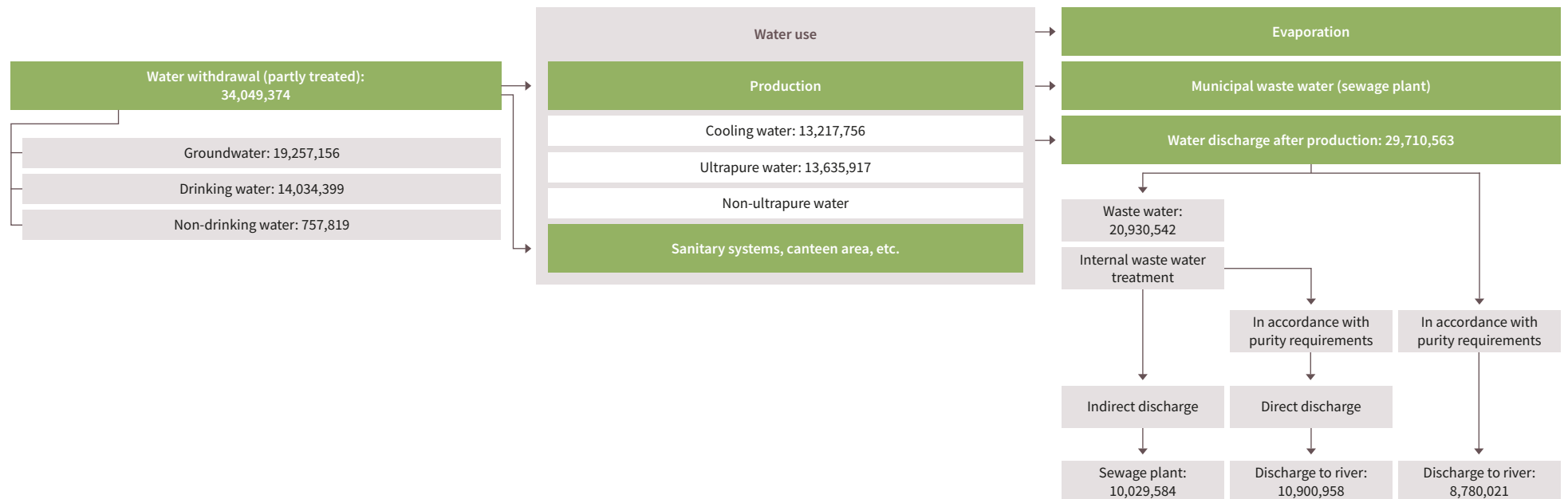
Infineon’s water balance for the 2022 fiscal year is shown in schematic form in [CHART 22](#).

Water is used at our manufacturing sites, for example, to cool equipment or to generate ultrapure water. A significant share of our water withdrawal, which is used as cooling water, is returned in at least the same degree of purity. If the water we withdraw does not meet the applicable purity standards, it is subject to further treatment.

Part of the withdrawn water can be reused after its initial use. During the reporting period, 2,655,734 cubic meters (19.48 percent) of ultrapure water and 2,139,673 cubic meters (10.22 percent) of production waste water were reused.

CHART 22 Water balance

in cubic meters



Infinion withdrew 34,049,374 cubic meters of water during the reporting year. Infinion sources water either from its own groundwater wells or from local providers, who supply both drinking and non-drinking water of lesser quality than drinking water. Our water sources are shown in [CHART 23](#).

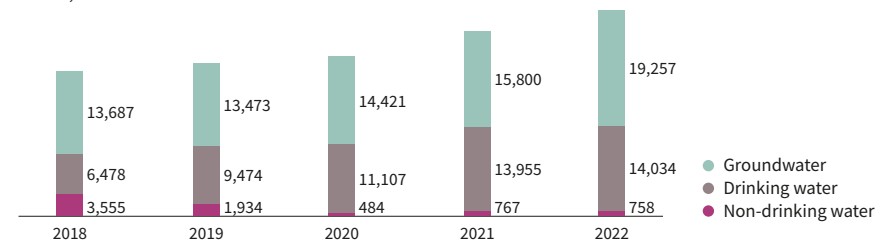
After water has exited the production area, it is either directly or indirectly discharged, depending on its level of purity, the technical conditions and official regulations. The percentage of water discharged is shown in [CHART 24](#).

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 Infinion frontend sites consumed approximately 30 percent less water to manufacture a square centimeter wafer in the 2021 calendar year than the global average of the WSC. [CHART 25](#)

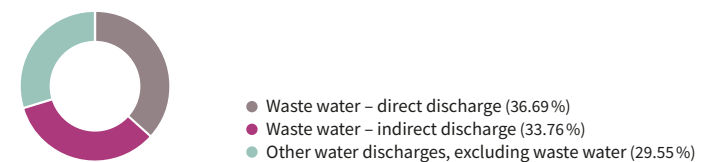
Based on the assessment of the potential risks of water stress we conducted using the Aqueduct Water Risk Atlas developed by the World Resources Institute (with reference to Aqueduct 3.0 data in the 2021 fiscal year), we were able to identify areas with a high or extremely high risk of water stress. Three of our sites are located in such areas: Mesa (USA), Temecula (USA) and Tijuana (Mexico). The water withdrawal at these three sites comprises 1.74 percent of our total water withdrawal. These sites use only 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 1.09 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 23](#) Water withdrawal rounded, in thousand cubic meters



[CHART 24](#) Water discharges



[CHART 25](#) Standardized water consumption per square centimeter manufactured wafer



¹ Frontend sites worldwide.

To ensure and continue to improve sustainable water consumption, we promote the exchange of knowledge in various ways. Two examples of this are the IMPRES workshop series that took place in the 2022 fiscal year in conjunction with the regions worldwide and our best practice sharing program, which involved 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

The manufacturing process for semiconductors requires a large number of chemicals and other production materials. Waste resulting from our own manufacturing facilities is treated externally. It comprises mainly chemicals, sludge and municipal solid waste. Our sustainable waste management is based on the classification and separation of waste and the use of safe treatment methods in accordance with local legal regulations. In the 2022 fiscal year, the total amount of waste generated was 52,891 tons, with 25,226 tons classified as non-hazardous and 27,665 tons classified as hazardous.

CHART 26 In addition, 39,493 tons of the total waste generated was diverted from disposal, and 13,398 tons of the total was directed to disposal. Besides statutory requirements, it is fluctuating production levels that have the greatest impact on the

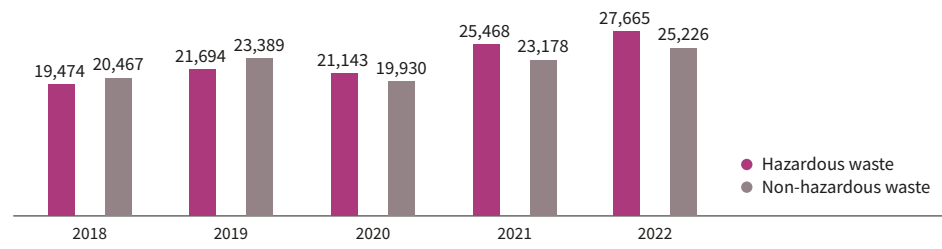
amount of waste generated and the treatment methods used. Nowadays, there are many technically viable and cost-effective processes for the treatment of waste. Infineon favors waste recycling over waste disposal. Consequently, waste is recycled rather than disposed of wherever possible. In the 2022 fiscal year, Infineon was able to send 72.09 percent of the non-hazardous waste and 72.23 percent of the hazardous waste for recycling, resulting in an overall recycling rate of 72.16 percent. The various waste treatment methods can be seen in the following tables.

Waste diverted from disposal in metric tons (t)

Hazardous waste	
Recycling	19,981
Preparation for reuse	1,325
Total	21,306
Non-hazardous waste	
Recycling	18,187
Preparation for reuse	0
Total	18,187

CHART 26 Waste generation

in tons



Waste directed to disposal
in metric tons (t)

Hazardous waste	
Incineration with energy recovery	2,554
Incineration without energy recovery	718
Landfill	262
Other disposal operations	2,825
Total	6,359
Non-hazardous waste	
Incineration with energy recovery	1,859
Incineration without energy recovery	283
Landfill	4,812
Other disposal operations	85
Total	7,039

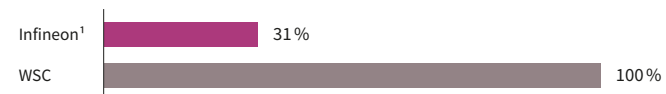
The WSC has defined the waste generated in grams per square centimeter manufactured wafer as the unit for measuring the efficiency of waste management. In the 2021 calendar year, our worldwide frontend sites generated approximately 69 percent less waste per square centimeter manufactured wafer than the WSC global average.

CHART 27

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

Of course, the main aspects of our sustainable waste management are to avoid waste and to preserve the value of the resources we use by applying the principles of the circular economy. In its manufacturing, Infineon also requires solvents, which can be purified after use by distillation in such a way that they can then be reused to a significant extent as solvents, if this makes technical and economic sense. On the one hand, this reduces the purchase of new goods, and on the other hand, it reduces the waste generated. In the 2022 fiscal year, 215.63 tons of the solvent propylene glycol methyl ether acetate (PGMEA) was recovered externally by distillation of waste containing PGMEA and was reused in manufacturing.

CHART 27 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 around 100 million tons of CO₂ equivalents.

TARGETS

p. 50 ff.

Material topics

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



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 addressing global challenges like climate change," says Dr. Sven Schneider, Chief Financial Officer of Infineon.

We conduct regular analyses of current trends as part of our definition of new products in order to identify sustainable business models. Further information can be found in "The segments" in the chapter "Business model" in the Annual Report 2022. [p. 23 ff. of the Annual Report 2022](#)

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, storage, and in particular, in the use of electricity. They form the basis for the intelligent and efficient use of energy: in industrial applications, power supplies for computers and consumer electronics, as well as in motor vehicles.

Products and solutions from Infineon make end products more energy-efficient during their lifetime and thus make an essential contribution to improving the environmental footprint. In industrial applications such as drives or motor control units, for example, products from Infineon reduce power losses, which results in greater operational efficiency. Semiconductors also play a key role in the success of electromobility. In particular, they ensure that the electricity produced by the battery is converted as efficiently as possible into motion. Among other things,

Infineon supplies the key components for the main inverter, which plays a decisive role in controlling the drive in electric cars. Our high-performance products also enable the production of energy from renewable sources using wind power turbines and photovoltaic systems. Thus Infineon is making a significant contribution to decarbonization in the area of energy supply and in end applications.

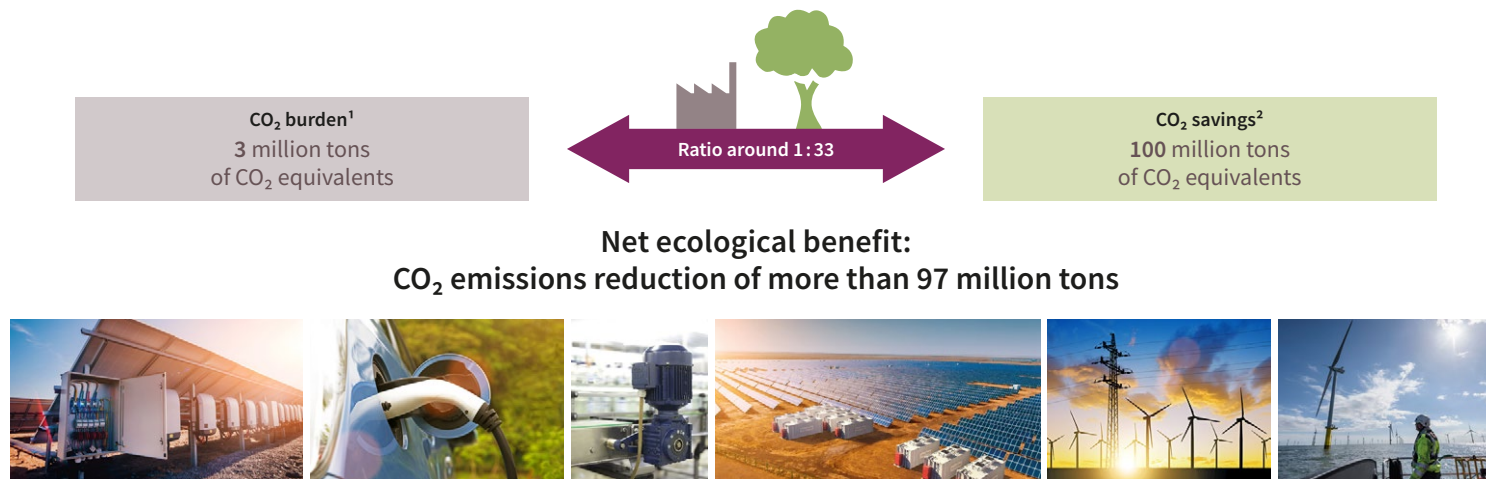
The Infineon carbon footprint

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

In calculating the Infineon carbon footprint, we have considered the entire manufacturing process in accordance with the GHG Protocol, including all the utilities (raw materials and supplies), as well as internal and external logistics, including final distribution to customers. The results of the Infineon carbon footprint calculation are reported to specifically designated management representatives on a regular basis. In various areas of application (automotive electronics, industrial drives, photovoltaics as well as wind energy), our products can achieve CO₂ savings during their lifetime of around 100 million tons of CO₂ equivalents. That corresponds to the average annual electricity consumption of more than 179 million inhabitants in Europe.

Thus, with its products and innovations in combination with efficient production, Infineon achieved an environmental net benefit of more than 97 million tons of CO₂ equivalents. [CHART 28](#)

[CHART 28](#) Infineon carbon footprint



¹ This figure takes into account manufacturing, transportation, own vehicles, travel, supplier-specific emissions, water/waste water, direct emissions, energy consumption, waste etc. as well as direct and indirect energy-related emissions by manufacturing service providers. It is based on data collected internally and publicly available conversion factors and relates to the 2022 fiscal year.

² This figure is based on internally established criteria, which are described in the explanatory notes. The figure relates to the 2021 calendar year and takes into account the following application areas: automotive electronics, industrial drives, photovoltaics as well as wind energy. CO₂ savings are calculated based on the potential savings generated by technologies in which semiconductors are used. The CO₂ savings are allocated based on Infineon's market share, semiconductor share and the lifetime of the technologies concerned, based on internal and external experts' estimations. Despite the fact that carbon footprint calculations are subject to imprecision due to the complex issues involved, the results are nevertheless clear.

Our product example: CoolSiC™ power module by Infineon significantly reduces engine noise and energy consumption for streetcars

Phasing out the use of fossil fuels, a global trend, has challenging implications for many industry sectors, including transport. The trend towards green mobility, for example, is an indication that short-haul domestic flights will decline, and fewer car journeys will be made, which will in turn favor growth in rail transport. Government measures to encourage decarbonization are fostering this trend. In Europe, there are plans for billions of euros of investment in various schemes to fund the railways. More changes are on the way, since diesel locomotives and diesel railcars are gradually being replaced by environmentally friendly electric solutions.

However, given the future requirements of green mobility, new technologies need to be developed where the prime focus is improving energy efficiency. To address this trend, Infineon will be launching power semiconductors with CoolSiC™ MOSFET and .XT technology in an XHP™ 2 package onto the market, specifically designed to meet the requirements of rail transport.

In a joint field test conducted by Siemens Mobility and Stadtwerke München (SWM), the Infineon XHP™ 2 power module proved itself. An Avenio streetcar in Munich (Germany) was equipped with these power modules and tested in passenger service for a year, covering around 65,000 kilometers. Siemens Mobility concluded that using power semiconductors based on silicon carbide (SiC) had made it possible to reduce the energy consumption of streetcars by 10 percent. At the same time, it was possible to achieve a significant reduction in engine noise during operation.

Compliance with legal and customer-specific requirements

The processes involved in manufacturing semiconductors are complex and require a wide variety of special chemicals and materials. At Infineon, we responsibly manage the handling of hazardous substances to safeguard human health and the environment.

Our products meet all the requirements set out in the European chemicals legislation known as REACH [Regulation (EC) 1907/2006 Registration, Evaluation, Authorisation and Restriction of Chemicals].

The use of certain substances defined by the European legislature as hazardous in end products is regulated by two key European directives: firstly, Directive 2000/53/EC on end-of-life vehicles (ELV Directive) and, secondly, Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive) in conjunction with Delegated Directive 2015/863/EU.

None of Infineon's products fall within the scope of these directives. However, our customers expect our products to meet legal requirements in their applications. Infineon products comply with the 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 (DA5: Die Attach, five cooperation partners) consortium, we are working to find lead-free alternatives for high-temperature solders, which are necessary for specific applications because of their properties.



EU Taxonomy

Infineon’s products and solutions enable decarbonization and create added value for society.

TARGETS

p. 53

Material topics

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



As part of the European Green Deal, which set a target for the EU to become climate-neutral by 2050, the European Commission resolved in its Sustainable Finance action plan to set up a framework to facilitate sustainable investment, known as the EU Taxonomy. The Taxonomy Regulation (2020/852), to be applied by certain companies from 1 January 2022, sets out a standardized classification system for environmentally sustainable economic activities. To qualify as environmentally sustainable, an activity must make a substantial contribution to one of the six environmental objectives:

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

The classification system distinguishes between Taxonomy eligibility and Taxonomy alignment. Taxonomy-eligible economic activities are, in principle, capable of making a substantial contribution to one of the environmental objectives set out above. Taxonomy-aligned economic activities demonstrably make a substantial contribution to one of the environmental objectives. Proof of Taxonomy alignment must be furnished through a multi-stage review process that involves complying with Technical Screening Criteria as well as with minimum safeguards and verifying that no significant harm is being done to any of the other five environmental objectives.

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

We consider the reporting on the Taxonomy as an integral part of our communication about how Infineon creates added value and how our products and solutions can contribute to overcoming societal challenges such as climate change. “Innovation is key and semiconductors are the critical building blocks to drive decarbonization and the digitalization of our world. At Infineon, we are enabling a climate-neutral economy and we are connecting the real world with the digital world,” says Jochen Hanebeck, CEO of Infineon. We have described the contributions made by our products and solutions to climate change mitigation in the chapter “Contribution through sustainable products”. [p. 36 ff.](#) The Taxonomy information published in this Sustainability Report underlines this and confirms our strategy.

¹ FAQ: Frequently Asked Questions.

The Infineon¹ approach to classification

To meet the reporting obligation set out in the EU Taxonomy Regulation, a cross-functional project team was established. All Infineon products and solutions were assessed in the classification. First of all, as part of the determination of Taxonomy eligibility, the portfolio was divided into appropriate groups crossing over the segments. Criteria here included the fact that the attribute contained identical or similar characteristics of the products/solutions and was clearly able to be assigned to a particular group based on relevant parameters. The cross-functional project team could then make its assessment of Taxonomy eligibility.

Infineon's business activities can currently be classified as economic activities under the heading "3. Manufacturing" (primarily under the sub-heading "3.6 Manufacture of other low carbon technologies"), as described in the Delegated Act on the two first environmental objectives.

When generating the reporting parameters, we concentrated exclusively on revenue-generating, Taxonomy-eligible economic activities in Annex I to the Commission Delegated Regulation (EU) 2021/2139. Our products and solutions, due to their many different areas of application, are used, for example, as parts or components in the area of electromobility and in renewable energy and home appliances. While assessing Taxonomy eligibility, our approach was to consider those semiconductors as Taxonomy-eligible that can in principle be used for the relevant economic activity. The reason is that the actual use for a Taxonomy-eligible economic activity cannot be traced in each case. An example from our Taxonomy-eligible portfolio is inverters for the conversion of direct current into alternating current in photovoltaic systems.

In the course of our assessment and generation of the reporting parameters, we also consulted the EU Commission's FAQ documents referred to above to clarify and understand the implementation of the Taxonomy Regulation. In this Sustainability Report, we were not able to take into account any EU documents providing additional clarification that were published after the end of the 2022 fiscal year.

The parameters we are required to report for environmental objectives 1 and 2 on our first application of the EU Taxonomy in the 2022 fiscal year are disclosed in the following table.

┌ Taxonomy-eligible and Taxonomy-non-eligible economic activities

	Revenue		Capital expenditure		Operating expenditure	
	€ in millions	in %	€ in millions	in %	€ in millions	in %
Taxonomy-eligible economic activities	8,204	57.7	1,764	72.4	1,120	51.1
Taxonomy-non-eligible economic activities	6,014	42.3	673	27.6	1,071	48.9

└

Revenue according to the EU Taxonomy is the revenue disclosed in the consolidated statement of profit or loss. To determine the proportion of Taxonomy-eligible revenue, the Taxonomy-eligible revenue is considered in relation to total Group revenue. Additional information on revenue and on the analyses of revenue by segments, product groups and regions is included in the Annual Report 2022 in the "Notes to the Consolidated Financial Statements" and in the "Segment reporting" section of the Notes. [□ p. 102 ff. and p. 149 ff. of the Annual Report 2022](#)

Capital expenditure according to the EU Taxonomy comprises additions to intangible assets (especially capitalized development costs), additions to property, plant and equipment, and right-of-use assets in accordance with IFRS² 16.

Operating expenditure comprises mainly costs relating to research and development, repairs and maintenance of property, plant and equipment, and short-term leases.

The Taxonomy-eligible proportions of revenue, capital expenditure and operating expenditure were calculated directly from Infineon's financial systems if a connection with a Taxonomy-eligible activity could be established from master data held in the financial systems (such as revenue or significant elements of research and development expenses). If no direct relationship to a Taxonomy-eligible activity was apparent in the financial systems and financial planning processes, the Taxonomy-eligible proportion of the capital expenditure and operating expenditure was calculated using a revenue-based allocation key.

The reporting parameters for the Taxonomy-eligible proportions of economic activities mentioned above will differ from the proportions of Taxonomy-aligned economic activities that will be disclosed in the coming fiscal years.

¹ Including Syntronix.

² IFRS: International Financial Reporting Standards are international accounting standards that apply to companies and are issued by the International Accounting Standards Board (IASB).



Our responsibility along the supply chain

Integrated supplier management for us means working together with suppliers in an environmentally and socially responsible way.

TARGETS
p. 50 ff.

Material topics

- > Contribution through sustainable products
- > Responsible manufacturing



Sustainability as an integral part of supplier management

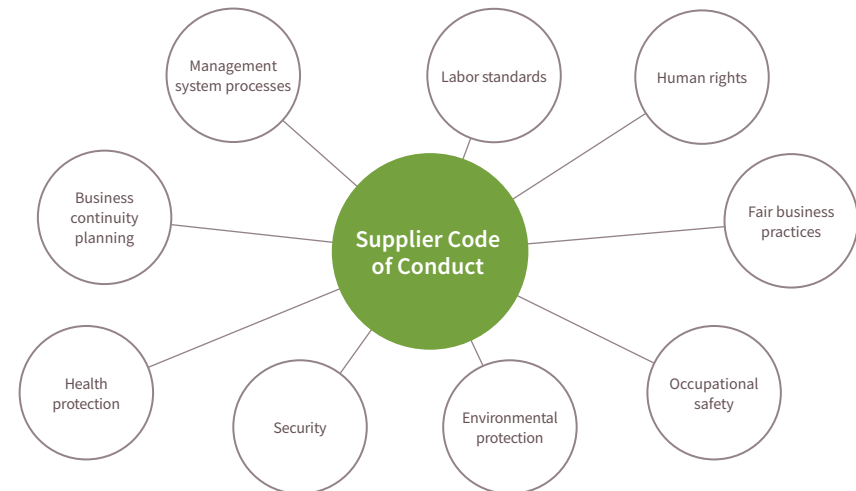
A long-term partnership between Infineon and its suppliers is a core element of our corporate philosophy. Through integrated management of our supplier relationships, we aim to act in an environmentally and socially responsible way in our own field of operations and beyond.

Our Supplier Code of Conduct is based on internationally recognized guidelines, such as the Principles of the UN Global Compact, the standards of the Responsible Business Alliance (RBA) 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 CHART 29. By anchoring sustainability requirements and monitoring measures in the procurement process, we increase the effectiveness of our supplier management, reduce possible risks, create transparency along the supply chain and initiate improvement processes at suppliers. Our main suppliers are also contractually obliged to uphold our environmental, occupational safety and health as well as CSR commitments. To enter into a business relationship with us, these suppliers are required to commit to our basic principles.

As part of this long-term partnership, all our suppliers are managed centrally in a supplier management portal where data is updated as necessary.

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

CHART 29 Supplier Code of Conduct



At the same time, our supplier management portal is also used to evaluate suppliers. When we select new suppliers, evaluate existing ones and make decisions regarding future supplier development, compliance with our requirements is mandatory.

More than 100 new suppliers and new subsidiaries of existing suppliers are therefore categorized every quarter according to their products and services. Depending on this categorization, the supplier receives up to ten questionnaires on various topics in the supplier management portal. The responses received are evaluated by the relevant Infineon specialist departments. The supplier is approved only following a successful evaluation. When necessary, improvement measures are jointly agreed with the supplier. This procedure supports a fast and up-to-date assessment. The annual re-evaluation of selected suppliers serves to determine whether or not corrective measures need to be initiated. In the 2022 fiscal year, more than 360 suppliers, representing approximately 75 percent of the procurement volume, were re-evaluated with regard to the topics mentioned.

In addition to our established supplier management processes, we are currently undertaking a project designed to make further improvements in risk management in the areas of human rights and environmental protection in the supply chain and to adapt to new circumstances. As part of this project, one of the decisions made in the 2022 fiscal year was to include country risk and industry risk in our risk management. In specific terms, this means that, in addition to the annual re-evaluation of selected suppliers, a review of compliance with our requirements will be conducted of other suppliers who could present high risk potential in the area of environmental protection and human rights as a result of their activities in certain countries or industries. As part of a feasibility study, more than 100 suppliers were asked to provide information about their sustainability program using standardized questionnaires and analyses. The results are fed into the expanded risk management system.

Environmental sustainability and climate protection in the supply chain

With the publication of our climate targets in the 2020 fiscal year, an initiative was launched where we work together with suppliers to drive forward environmental sustainability and climate protection in the supply chain. The main priorities of this initiative are scope 3 emissions and the circular economy. In the 2022 fiscal year, for example, at our manufacturing site in Dresden (Germany), close collaboration with suppliers enabled a new refurbishment process for structured wafers that were rejected in the course of manufacturing.

Going beyond contractually agreed environmental requirements with suppliers, supplier performance in the area of CO₂ measurement, targets and reduction measures was a criterion in the re-evaluation of selected suppliers in the 2022 fiscal year and formed part of our strategic discussions with suppliers. The coming fiscal year will see a particular focus on increasing the transparency of the CO₂ data and our suppliers' existing reduction targets and measures.

Infineon products without DRC¹ conflict minerals

The U.S. Dodd-Frank Act (Dodd-Frank Wall Street Reform and Consumer Protection Act) was adopted in 2010. It contains disclosure and reporting obligations for companies listed on stock exchanges in the USA concerning the utilization of "conflict minerals" that originate from the DRC or its adjoining countries. The term "DRC conflict minerals" applies to tantalum, tin, gold and tungsten, inasmuch as their extraction and/or trade directly or indirectly finances or benefits armed groups in the DRC or adjoining countries. The use of the materials mentioned is essential for the functionality of our products.

Respect for human rights is a matter of course for Infineon. Avoiding conflict minerals in the supply chain means that we are contributing towards the prevention of human rights abuses. Infineon is not listed on U.S. stock exchanges and therefore not legally required to publish a report on conflict minerals. Nevertheless, as a member of the Responsible Minerals Initiative, we uphold our voluntary commitment to responsibility

¹ DRC: Democratic Republic of the Congo.

within the supply chain. At the same time, our comprehensive declaration on the use of conflict minerals supports those of our customers who are required to perform due diligence within their supply chains to fulfill their reporting duties in accordance with the requirements of the U.S. Securities and Exchange Commission (SEC).

Since Infineon does not source these metals directly from mines or smelters, we identify their origin in close cooperation with our direct suppliers. For this purpose, we have introduced a standardized process throughout the organization based on the OECD¹ Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas in order to create the necessary transparency within our supply chain.

Our targets and requirements for our supply chain are set forth in the Infineon Conflict Minerals Policy and the Supplier Code of Conduct concerning the Responsible Sourcing of Conflict Minerals, which are published on our website. www.infineon.com/csr_reporting

In the 2022 fiscal year, Infineon identified 100 percent of its potential suppliers of conflict minerals and evaluated them with regard to their use of conflict minerals. Based on the full response of our suppliers and in accordance with the requirements of the OECD guidance, we can duly state that all Infineon products are DRC conflict-free. Moreover, we request that our suppliers continue purchasing only raw materials from smelters that meet the Responsible Minerals Assurance Process requirements or those of an equivalent audit program.

Voluntary cobalt and mica (layered silicates) assessment for Infineon products

The DRC has around 50 percent of global cobalt reserves and produces the largest quantity of cobalt in the world. Serious concerns have been raised in several reports about the social and environmental impact of cobalt extraction, including child labor and unsafe working conditions in cobalt mines. As a responsible company, Infineon has therefore, as of the 2020 fiscal year, expanded its activities relating to social and environmental responsibility in the supply chain and voluntarily included cobalt in its due diligence program for the responsible procurement of minerals. We also identified all suppliers of material containing cobalt in the course of our investigation in the 2022 fiscal year and requested them to report cobalt smelters in their supply chain.

Mica is a name given to a group of minerals known as layered silicates, which are frequently used as insulation in power diodes, semiconductors and rectifiers and can contribute towards insulating semiconductors fully from their packages, dissipating heat and keeping components cool. The mica group represents 37 types of minerals with layered structures (layered silicates) that allow them to be split into thin flakes or sheets. In two major mica-producing countries, India and Madagascar, mica supply chains rely heavily on artisanal and small-scale extraction as well as manual processing. We continued to expand our due diligence program in the 2022 fiscal year and checked our production materials for the use of mica.

To ensure transparency, we make the results of our assessment available to our customers in the form of a combined Cobalt and Mica Declaration (Extended Minerals Reporting Template).

¹ OECD: Organisation for Economic Co-operation and Development.



Corporate citizenship

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

TARGETS
p. 50 ff.

Material topic
> Corporate citizenship



Infineon and its employees understand corporate citizenship as a voluntary social and societal contribution to the communities in which we operate. Infineon has defined four areas of activity in the field of corporate citizenship: Environmental Sustainability, Education for Future Generations, Local Social Needs and Responding to Natural and Humanitarian Disasters.

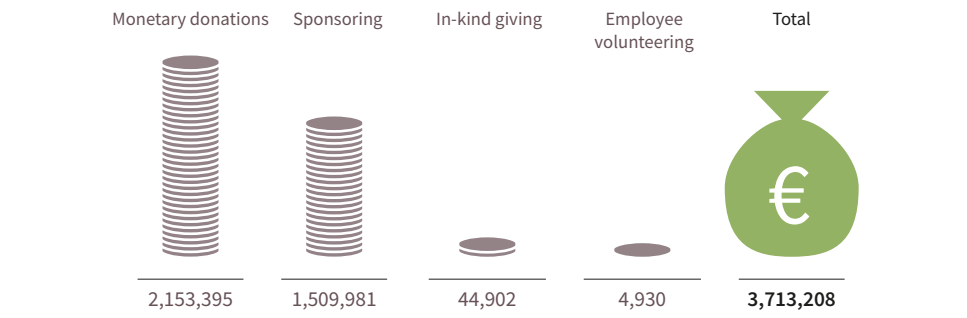
These focus areas of engagement are contained in our Corporate Citizenship and Sponsoring Rule. This Rule ensures that our corporate citizenship activities are performed transparently and in line with our ethical principles. We have also appointed a citizenship representative for this topic at all our major sites. The request and approval process in the area of corporate citizenship is also defined in the Corporate Citizenship and Sponsoring Rule, which is binding worldwide. This Rule describes the opportunities for involvement and determines the role of specialist departments and of the Management Board as part of the request and approval process.

Infineon supported 234 activities worldwide in the 2022 fiscal year. 9 percent of the donations were local investments in the communities with which we interact, and 91 percent were donations to charitable purposes.

Our corporate citizenship expenditure in the 2022 fiscal year is illustrated in [CHART 30](#).

CHART 30 Corporate citizenship expenditure 2022

in €



Examples of the corporate citizenship activities of Infineon in the 2022 fiscal year



Environmental Sustainability

- › Support for planting trees in a forest reserve in Batam for the preservation of nature and habitat (Indonesia)
- › Donation to the Society of Entrepreneurs and Ecology (SEE) for reforestation projects and the restoration of panda habitats (China)
- › Support for planting mangrove trees to protect the natural tsunami barrier and prevent sea and river erosion (Malaysia)



Education for Future Generations

- › Support for the Girls' Day hosted by Frauenförderwerk Dresden to promote education for young girls in Science, Technology, Engineering and Mathematics subjects (Germany)
- › Support for Yokohama National University to promote teaching of technical subjects (Japan)
- › Support for the Politehnica University of Bucharest for the organization of student competitions in MINT¹ subjects (Romania)
- › Sponsorship of the X-STEM² San Diego conference to promote education in MINT subjects for young people (USA)



Local Social Needs

- › Donation to the Center for Great Expectations to support young mothers (USA)
- › Donation to the Asociația Dăruiește Viață to support vulnerable children (Romania)
- › Donation to the Hungarian Red Cross to help homeless people (Hungary)
- › Donation of everyday hygiene products and food to various foundations in Batam during the coronavirus pandemic (Indonesia)



Responding to Natural and Humanitarian Disasters

- › Donation to various organizations in Europe to support refugees and victims of the war in Ukraine (Germany, Romania, Hungary)
- › Support for victims of devastating floods (Malaysia)

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

² STEM: Science, Technology, Engineering and Mathematics.

Memberships and partnerships

Infineon is involved in numerous industry associations and standardization organizations including for example:

Industry associations

- › 5G Alliance for Connected Industries and Automation (5G-ACIA)
- › 5G Automotive Association (5GAA)
- › 6G Smart Networks and Services Industry Association (6G-IA)
- › Advanced Research & Technology for Embedded Intelligent Systems (ARTEMIS-IA)
- › Association for European NanoElectronics Activities (AENEAS)
- › Association representing the Smart Security Industry (EUROSMART)
- › Autonomous Vehicle Computing Consortium (AVCC)
- › CAR 2 CAR Communication Consortium (C2C-CC)
- › Charter of Trust
- › China Semiconductor Industry Association (CSIA)
- › 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 (GSM Association)
- › Quantum Technology & Application Consortium (QUTAC)
- › SEMI (formerly: Semiconductor Equipment and Materials International)

- › U.S. Semiconductor Industry Association (SIA)
- › World Semiconductor Council (WSC; organization of regional semiconductor associations)




Standardization organizations

- › Automotive Electronics Council (AEC)
- › Automotive Industry Action Group (AIAG)
- › AUTomotive Open System ARchitecture (AUTOSAR)
- › Bluetooth Special Interest Group (Bluetooth SIG)
- › Connectivity Standards Alliance (CSA)
- › European Telecommunications Standards Institute (ETSI)
- › FiRa Consortium
- › German Commission for Electrical, Electronic & Information Technologies of DIN and VDE (DKE)
- › German Institute for Standardization (DIN)
- › Global Standards for the Microelectronics Industry (JEDEC)
- › International Electrotechnical Commission (IEC)
- › International Organization for Standardization (ISO)
- › Mobile Industry Processor Interface Alliance (MIPI)
- › Near Field Communication (NFC) Forum
- › Trusted Computing Group (TCG)
- › USB Implementers Forum (USB-IF)







Others


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







Our sustainability targets




Targets for the 2022 fiscal year	Status	Description
<p> Overall goals</p> <p>Set ambitious climate protection and diversity goals as part of the compensation system for the Management Board for the 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>	<p>●</p> <p>○</p>	<p>Climate protection and diversity goals were defined as part of the compensation system for the Management Board.</p> <p>The main sites formerly operated by Cypress will have been audited by our external certifiers and thus included in the audit planning of the management system by the end of the 2022 calendar year. This step has been brought forward as a result of the change in certifier.</p>
<p> Business ethics</p> <p>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).</p>	<p>●</p>	<p>To ensure that we work together with business partners with integrity, the compliance management system was expanded to include a new process, the Business Partner Integrity Check.</p>
<p> Human rights</p> <p>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.</p>	<p>●</p>	<p>In the 2022 fiscal year, a cross-functional project that sets out defined milestones and specific and joint responsibilities was launched in Infineon's departments.</p>

● Target achieved ○ In progress ○ Target not yet achieved




Targets for the 2022 fiscal year	Status	Description
<p> Human resources management</p> <p>In the long term, we want the proportion of women in management positions to reach 20 percent. With the development of division-specific targets and measures, which are regularly reviewed by the relevant management groups or by the Management Board, this target should be achieved. Another measure is to increase the visibility of talented women within the Group.</p> <p>The existing global target of 80 percent overall employee satisfaction remains unchanged for the time being. The measures we are adopting to achieve this target include continuing to develop leadership skills and ensuring balanced workloads.</p> <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>	<p></p> <p></p> <p></p>	<p>The proportion of women in middle and senior management positions in the 2022 fiscal year was 16.5 percent. This is therefore an important step towards achieving our long-term target.</p> <p>In the 2022 fiscal year, we achieved the global target we had set ourselves, with 82 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>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 that continued to prevail at times in the 2022 fiscal year, most dialogs were conducted virtually, while others had to be postponed. Currently, around 84.1 percent of managers have conducted their leadership dialogs.</p>
<p> Protection of our employees</p> <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></p>	<p>Successful implementation of the behavior-based safety program by introducing the seven Golden Rules of Safety using information material and training sessions at the three main locations formerly operated by Cypress.</p>

 Target achieved
  In progress
  Target not yet achieved


Targets for the 2022 fiscal year	Status	Description
 Environmental sustainability and climate protection		
Carbon neutrality		
Infineon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year in terms of scope 1 and scope 2 emissions 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.		By the end of the 2022 fiscal year, our emissions were already 23.4 percent lower than the emissions in the base year 2019. We are therefore meeting the timetable we set for achieving our climate targets.
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.		In the 2022 fiscal year, we implemented measures that generated energy savings of more than 32 gigawatt hours.
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.		In the 2022 fiscal year, additional PFC abatement systems were installed, for example at our site in Kulim (Malaysia).
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.		Our specific water consumption was below 8.5 liters per square centimeter manufactured wafer.
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.		Our specific waste generation was below 27.5 grams per square centimeter manufactured wafer.

 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 2022 fiscal year	Status	Description
 <p>Contribution through sustainable products</p> <p>Update the calculation of the Infineon carbon footprint, considering all the segments.</p>	<p>●</p>	<p>In the 2022 fiscal year, the Infineon carbon footprint was updated, considering all the segments. It is published in this report.</p>
 <p>Our responsibility along the supply chain</p> <p>Maintain a DRC conflict-free supply chain and conduct another evaluation of the use of conflict minerals for 100 percent of the relevant suppliers. 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>	<p>●</p> <p>●</p>	<p>An evaluation was conducted of 100 percent of suppliers of conflict minerals with regard to the origin and use of conflict minerals. The Infineon supply chain is DRC conflict-free. The results of our evaluation are made available to our customers in the form of a declaration (Conflict Minerals Reporting Template).</p> <p>A due diligence assessment was conducted of 100 percent of suppliers of products containing cobalt with regard to the origin and use of products containing cobalt. In addition, our supply chain was investigated with regard to the use of mica, and the results are made available to our customers in the form of a combined Cobalt and Mica Declaration (Extended Minerals Reporting Template).</p>
 <p>Corporate citizenship</p> <p>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.</p>	<p>●</p>	<p>We have conducted a best practice exchange with the main users of our existing platform to determine potential improvements and define the requirements for a new solution. Based on this profile of requirements, we will identify a platform that we will implement in the future.</p>

● Target achieved ● In progress ○ Target not yet achieved

Targets for the 2023 fiscal year	
 Overall goals	<p>Set ambitious climate protection and diversity goals as part of the compensation system for the Management Board for the 2023 fiscal year.</p> <hr/> <p>Incorporate the main sites formerly operated by Cypress into the integrated management system IMPRES by the end of the 2023 fiscal year by obtaining external certification of the sites.</p>
 Business ethics	<p>Restructure the risk assessment process, linking it with the self-assessment process for Group companies and locations. This should ensure that all significant compliance risks are identified, evaluated and transferred into the annual compliance program.</p>
 Human rights	<p>Introduce a declaration of principles on human rights as part of Infineon's CSR strategy.</p> <hr/> <p>Gradually introduce training on human rights for our employees worldwide.</p>
 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> <hr/> <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> <hr/> <p>At least 90 percent of all our managers (from the Director level with five or more direct employees) will conduct a leadership dialog with their employees within two years. The leadership dialogs provide managers with structured feedback from their employees. This makes it possible for them to reflect on their own management behavior, recognize their strengths and identify potential improvements. This improves collaboration both with and within the team. The measures for achieving this target include regular monitoring of the completion of leadership dialogs and the training of internal or external moderators for the leadership dialogs.</p>
 Protection of our employees	<p>Introduce a global digital software solution to report and process work-related accidents and commuting accidents at all the main production sites and at the corporate headquarters Campeon (Germany).</p>

Targets for the 2023 fiscal year



Environmental sustainability and climate protection

Carbon neutrality

Infineon has set itself the target of becoming carbon-neutral by the end of the 2030 fiscal year in terms of scope 1 and scope 2 emissions defined by the GHG Protocol. By the end of the 2025 fiscal year, emissions should already have been reduced by 70 percent compared with the 2019¹ calendar year.

Energy management

Implement projects and measures in the 2023 fiscal year to increase energy efficiency, giving total potential annual energy savings of 20 gigawatt hours. One of the ways this target will be achieved is by adopting site-specific measures for infrastructure and manufacturing.

Greenhouse gas emissions

Implement measures that will generate total emission savings of 50,000 tons of CO₂ equivalents by the end of the 2024 fiscal year.²

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.

Identify and evaluate the main water-saving measures of the last five fiscal years in order to continue to improve our water management and to derive quantified reduction targets.

Waste management

Regardless of growing product complexity, which typically requires an increase in the use of raw materials and supplies, our aim is to keep specific waste generation below 27.5 grams per square centimeter manufactured wafer. This is a long-term goal that is in accordance with our sustainability strategy.

Identify and evaluate the main waste-saving measures of the last five fiscal years in order to continue to improve our waste management and to derive quantified reduction targets.

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

² Cumulative from the 2021 fiscal year.

Targets for the 2023 fiscal year	
	<p>Contribution through sustainable products</p> <p>Update the calculation of the Infineon carbon footprint, considering all the segments.</p>
	<p>EU Taxonomy</p> <p>Analyze the options for automated evaluation and interpretation of the information required by the EU Taxonomy.</p>
	<p>Our responsibility along the supply chain</p> <p>Maintain a DRC conflict-free supply chain and conduct another evaluation of the use of conflict minerals for 100 percent of the relevant suppliers.</p> <hr/> <p>Conduct a due diligence assessment for 100 percent of suppliers of products containing cobalt or mica to create transparency in the supply chain regarding the origin of cobalt and mica and publish the results in the form of a combined Cobalt and Mica Declaration.</p> <hr/> <p>Implement an enhanced risk management system for human rights and environmental protection in the supply chain.</p> <hr/> <p>Introduce training in the procurement organization to raise awareness of risks in the areas of environmental protection and human rights.</p> <hr/> <p>Analyze the CO₂ reduction targets and measures of all our major suppliers.¹</p>
	<p>Corporate citizenship</p> <p>Implement best practice sharing sessions and training with the corporate citizenship representatives to follow a proposal for the distribution of donations by focus areas as part of our corporate citizenship strategy in the 2023 fiscal year.</p>

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