Explanatory notes to the information reported in the Corporate Social Responsibility Chapter of Infineon Technologies Annual Report 2013.

These explanatory notes refer to the information published in the Corporate Social Responsibility (CSR) chapter of the Infineon Technologies AG Annual Report 2013. KPMG AG Wirtschaftsprüfungsgesellschaft has provided independent assurance on these information in accordance with the International Standard on Assurance Engagements (ISAE) 3000. The independent assurance report can be found here (LINK).

Reporting standards

Infineon Technologies applies the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative, supported by internal guidelines, as reporting criteria for the CSR information published in the Infineon Technologies Annual Report 2013.

For the determination of the Infineon CO_2 footprint we have developed an own approach which became further refined during the 2013 fiscal year. This approach is generally oriented towards ISO 14000 and substantiated by PAS (Publicly Available Specification) 2050:2008, a guideline for product carbon footprints, issued by the BSI (British Standards Institution). For external reporting we follow the "Greenhouse Gas Protocol" classification of Scope 1, Scope 2 and Scope 3 emissions. For the determination of the indicator ' CO_2 savings enabled through products we have used internal criteria.

Organizational boundaries

Our reporting includes all our own production sites and corporate headquarters, which are part of our certified IMPRES management system, as well as our production site in Morgan Hill. To determine its organizational boundaries Infineon Technologies follows the operational control approach. Operational control of our organizational units is established when Infineon Technologies AG is entitled to more than 50 percent of the voting rights, whether indirectly or directly

External companies operating at some of our sites, in which Infineon has no operational control, and which have no influence in Infineon's production, are not included in the reported KPIs data.

Determination of the Key Performance Indicators (KPIs)

We continually strive to improve the data quality of our KPIs.

a. Energy consumption:

The energy consumption of Infineon includes the above mentioned sites for the respective Infineon fiscal year:

- Direct energy consumption: natural gas, light fuel oil, diesel fuel, petrol and firewood.
- Indirect energy consumption: electricity consumption and remote heat.

b. Water consumption:

Included in the water consumption are the consumption of the above mentioned sites, taking into consideration the reporting of both; water sourced by Infineon Technologies and water provided by third-parties (e.g. municipal water) for the respective Infineon fiscal year. Water which is used as cooling water or process water is included, too.

In the benchmark water consumption reported by the World Semiconductor Council (WSC) cooling water is not included. Due to the normalization factor is cm² manufactured wafer, this benchmark includes just the worldwide Frontend sites of Infineon.

Infineon water discharge includes waste water and other water discharges. Waste water is classified under:

- Direct discharge: effluent discharged by the site without the need of prior-external treatment.
- Indirect discharge: water which is not allowed to be directly discharged or which needs prior treatment.

c. PFCs¹:

PFCs are essential for the production of semiconductors. They are used in etching processes for patterning of wafers and cleaning of production equipment for CVD processes (the so-called "chemical vapor deposition"). Therefore, PFCs are used at Infineon only in the front-end locations.

The conversion factors in CO₂

The benchmark waste generation reported by the World Semiconductor Council (WSC) includes just the worldwide Frontend sites of Infineon, due to the normalization factor is cm²