



California Transparency in Supply Chains Act of 2010

Infineon's Policy Statement

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) went into effect. This law requires large retailers and manufacturers doing business in the state of California and having annual gross worldwide sales of over \$100 million dollars to disclose their efforts to eradicate slavery and human trafficking from their supply chain.

As reflected in our commitment to the United Nations Global Compact we respect and observe the internationally proclaimed human rights, including the rights to personal dignity and privacy. As set forth in our Business Conduct Guidelines as well as in our Principles of Purchasing, we shall not condone human rights abuses, neither in the form of direct nor beneficial nor silent complicity and we are against any form of forced labor. We strictly oppose any form of human trafficking and slavery.

In accordance with our Business Conduct Guidelines and our Principles of Purchasing these principles shall apply to both internal cooperation and conduct towards external partners. Therefore we expect our suppliers to be committed to the same values. Infineon requires that its suppliers and vendors comply with all applicable laws, including those relating to labor practices and forced labor. These and other expectations towards suppliers are reflected in our Principles of Purchasing.

Infineon is evaluating appropriate auditing, verification and certification practices and processes to ensure these aims. At Infineon, suppliers have to fulfill a Corporate Social Responsibility questionnaire which includes social and human rights questions among others. These questionnaires are then evaluated by Infineon specialists. Upon receipt and review of the questionnaire, if any answers appear to be unacceptable, Infineon reserves the right to audit such supplier. Infineon will apply appropriate legal measures, up to and including the termination of its employees and contractors, where company standards are not met. Infineon has not used third party verifications nor independent or unannounced audits.

Infineon provides training focused on our Business Conduct Guidelines to all employees and managers who have direct responsibility for supply chain management, including work-related standards and principles, fair business practices and International Labor Organization Convention 138, among others.

For complete information concerning Infineon's supply chain responsibility, please see "Corporate Social Responsibility at Infineon".

(<http://www.infineon.com/cms/en/corporate/company/csr/index.html>)